



ASSESSING THE REGION VIA INDICATORS
The Economy
1999-2004

THE STATE OF THE
GREAT CENTRAL VALLEY
OF CALIFORNIA

*Supporting the economic, social, and environmental
well-being of California's Great Central Valley*

GREAT VALLEY CENTER
201 NEEDHAM STREET, MODESTO, CA 95354
TEL: 209 / 522-5103 FAX: 209 / 522-5116
WWW.GREATVALLEY.ORG INFO@GREATVALLEY.ORG

Produced by the Staff of the Great Valley Center

With Research Assistance from

Alison McNally
Citigroup Foundation Intern

Anthony Zepeda
Sustainable Communities Leadership
Program Fellow

Gene Barrera
Sustainable Communities Leadership
Program Fellow

With Special Assistance from the California Department of Employment Development Department

Liz Baker
Labor Market Consultant

Bunny Bentley
Labor Market Consultant

Nannette Potter
Labor Market Consultant

Carla Barnes
Central Valley Regional Manager

Joel Hessing
Area Services Group Manager
Labor Market Information Division

Technical Assistance provided by the Information Center for the Environment at the University of California, Davis

Mike McCoy
Co-director

Joshua Viers
Research Ecologist

Karen Beardsley
GIS Manager

Nathaniel Roth
GIS Programmer

Report Advisors

Andrea Baker
Merced Department of Workforce
Investment

Michael Carroll
Fannie Mae Central Valley Partnership

Gary Freeman
California Association of Resource
Conservation & Development Councils

Michael Locke
San Joaquin Partnership, Inc.

Bob Nash
Superior California Economic
Development Corporation

Mark Nechoderm
USDA Forest Service – PSW Research
Station

Marc Nemanic
Tri-County Economic Development
Corporation

Larry Orman
GreenInfo Network

LeeAnn Parry
Kaiser Permanente, Fresno

Tim Ransdell
California Institute for Federal Policy
Research

Bob Rivinius
California Building Industry Association

Paul Saldana
Central California Economic
Development Corporation

Brian Smith
California Department of Transportation

Rollie Smith
Federal Interagency Task Force for the
Economic Development of the San
Joaquin Valley

Special Advisor

Shawn Kantor
Chair, Department of Economics
University of California, Merced



Supporting the economic, social, and environmental
well-being of California's Central Valley

201 Needham Street
Modesto, CA 95354
Phone: (209) 522-5103
Fax: (209) 522-5116
www.greatvalley.org

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Dear Friends:

We are pleased to present *The State of the Great Central Valley: The Economy*. Since 1999, the Great Valley Center has published a series of indicators reports that have defined the region, framed important issues, set baselines for assessing future trends, and raised awareness of critical challenges facing the rapidly growing and often underserved Valley. In annual installments, a cycle of five reports assesses different aspects of the region's progress and quality of life: the Economy, the Environment, Community Well-Being, Public Health and Access to Care, and Education and Youth Preparedness.

In this report we revisit a number of economic indicators first reported five years ago. The data are divided into five general categories: population, income, and housing; business vitality; agriculture; transportation; and Federal and nonprofit spending.

We can now begin to address the question, "What progress are we making?" While there are some signs of improvement, the Central Valley continues to face major economic challenges. Per capita income is low, unemployment is high, housing is becoming less affordable, and the population continues to grow rapidly. Addressing these challenges will require sustained, concentrated effort throughout the Valley.

The Economy was developed in partnership with the California Department of Transportation and the California Employment Development Department's Labor Market Information Division. The UC Davis Information Center for the Environment provided valuable assistance with all the maps and particularly with the centerpiece. The report also benefited from the insight of the 16-member Advisory Committee representing a diversity of economic perspectives.

The State of the Great Central Valley series has received major funding from The James Irvine Foundation and the William and Flora Hewlett Foundation. Additional support for this report was received from the California State University Chancellor's Office, the Workforce Investment Boards of the San Joaquin Valley, Kaiser Permanente, and Citibank. We extend to all our partners and funders and to the staff who worked to make the report possible our appreciation for their support of and investment in the Central Valley.

Sincerely,

Carol Whiteside
President

THE STATE OF THE GREAT CENTRAL VALLEY—THE ECONOMY

Assessing the Region Via Indicators

1999–2004

What are Indicators?

Indicators help to answer important questions such as how well the economy is functioning, how the schools are doing, or how air quality is improving or worsening. Indicators are powerful tools for measuring and tracking the overall quality of life and comparing performance against goals or benchmarks. The measurements help communities monitor changes by providing a baseline against which future changes can be tracked.

What are Good Indicators?

A good indicator has several characteristics:

- It addresses the fundamental part of long-term regional or community well-being.
- It is clear and understandable.
- It can be tracked, is statistically measured at regular intervals, and comes from a reliable source.
- It is easy to communicate in concept as well as in terms of its value and importance to the region.
- It measures an outcome rather than an input.

About this Report:

Each year, the Great Valley Center produces a report in the five-part *State of the Great Central Valley* series. The data is updated in five-year increments. This is a follow-up of the economic report that was first released in 1999. The 2000 report featured indicators depicting the state of the Valley's environment; the 2001 report focused on community well-being by taking a look at social capital; and in 2002, the emphasis was on public health and access to care in the region. The 2003 report assessed youth preparedness and education. All reports in the series and an online searchable database of indicators from each report are available at www.greatvalley.org/indicators.

How to Use this Report:

The data presented are a snapshot of information. The indicator set can be used as a benchmark for measuring the economic health of the Valley. The region's performance can be compared to other regions and to the state as a whole.

Using the information, analysis, and structure provided in this report, individual communities may develop specific indicators tailored to their own concerns. It can serve as a guide and a model for developing an indicator-based assessment of smaller communities and cities, providing valuable comparative data at the county, subregional, regional, and state levels. The indicators do not present the entire picture, but they are often surrogates for clusters of issues and behaviors. In numerous cases, additional information is available on the Great Valley Center website or those of the sources cited in the report.



The computer icon indicates that more information can be found online at www.greatvalley.org/indicators.

RECOMMENDATIONS

The Great Central Valley has substantial economic resources, particularly in its strong agricultural industry. However, it also faces major economic challenges including low per capita incomes, high unemployment, rapid growth, and global competition. Some strategies to address these challenges include:

1 Maintain Agriculture as a Core Industry

The agricultural industry provides twenty percent of Central Valley jobs and generates billions of dollars in revenue. With Valley-wide unemployment consistently well above the state average, the region cannot absorb the loss of jobs and further pressure on already low wages that would occur should agriculture disappear. Other reasons to maintain agriculture in the Central Valley include its key role in providing food for the United States, its importance to the state and national economies and the balance of trade, and its environmental, historical, and cultural values.

2 Continue to Diversify the Economy

The Valley is becoming more diverse economically. While government is the largest employer, most of the remaining jobs are in low-wage industries. The Central Valley's natural resources provide competitive advantages in promising new industries such as renewable energy. The large agricultural base provides the potential for creating new, higher-paying jobs in emerging industries such as pharmaceuticals and specialized crops.

3 Improve Educational Attainment

High-wage jobs usually require a more highly-educated workforce. The Central Valley will benefit from raising educational performance of students at all levels, from elementary schools through high schools, community colleges, vocational programs, and four-year universities including the region's five California State University and two University of California campuses.

4 Provide A Range of Housing Types

While the Central Valley is producing substantial numbers of new homes, the lack of affordable rental housing creates stress for many residents and is likely to become worse as rapid population growth continues. Increasing the supply of rental housing may relieve this stress and help workers live closer to jobs.

5 Address the Emerging Transportation Challenges

With rapid population growth and with commute patterns mirroring those elsewhere in the state, the Valley's metropolitan communities are beginning to face substantial congestion. Traffic congestion in the Valley will exacerbate already-severe air pollution problems and thus limit economic growth. The Valley should consider transportation needs and air pollution impacts in its economic decisions.

6 Seek Parity From Public and Private Funders

The physical and human needs of the region require resources. The Central Valley should demand greater parity of funding to address the disparity that exists between the region and the rest of the state and nation.

THE GREAT CENTRAL VALLEY OF CALIFORNIA

California's Great Central Valley is a vast region—some 450 miles long, averaging 50 miles wide. Stretching from Mt. Shasta in the north to the Tehachapis in the south, the Valley encompasses 19 counties. For brevity, "the Valley" will be used to refer to the 19-county region.

Because different parts of the Valley have different characteristics, the region has been divided into the following subregions:

- North Valley
(5 counties—Butte, Colusa, Glenn, Shasta, and Tehama);
- Sacramento Metropolitan Region
(6 counties—El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba);
- North San Joaquin Valley
(3 counties—Merced, San Joaquin, and Stanislaus);
- South San Joaquin Valley
(5 counties—Fresno, Kern, Kings, Madera, Tulare).

Occasionally, the North and South San Joaquin Valleys have been combined into one subregion.

To give context to Valley data, statewide and regional data are presented for:

- California
(58 counties, including the 19 Valley counties);
- San Francisco Bay Area
(9 counties—Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma);
- Los Angeles Region
(5 counties—Los Angeles, Orange, Riverside, San Bernardino, and Ventura).



Source: GreenInfo Network

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POPULATION, INCOME, & HOUSING



The Valley's rapidly-growing population is a primary factor driving the regional economy. Most of the growth is from migration, largely from California's coastal regions.

- The population of the Central Valley is expected to grow 24% between 2000 and 2010, making it the fastest growing region in California. Growth is projected to be particularly rapid in the North San Joaquin Valley (29%) and in the Sacramento Metropolitan Region (27%).
- Per capita income in the Central Valley is 26% lower than the state average and falling further behind. If the Central Valley were a state, it would rank 48th in per capita income.
- Residential construction has been a major force in the Central Valley economy, with the number of housing permits increasing faster than the population.
- While housing remains affordable to some Central Valley residents, affordability is decreasing in 15 of the 19 Central Valley counties.
- Rental housing is becoming considerably more expensive, and nearly 50% of Central Valley residents cannot afford a median-priced two-bedroom rental unit in their own communities.

Central Valley Subregions

North Valley (Five counties—Butte, Colusa, Glenn, Shasta, and Tehama)

Sacramento Metropolitan Region (Six counties—El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba)

North San Joaquin Valley (Three counties—Merced, San Joaquin, and Stanislaus)

South San Joaquin Valley (Five counties—Fresno, Kern, Kings, Madera, and Tulare)

POPULATION GROWTH

The population of the Central Valley is growing rapidly.

Definition:

Population growth is the number or the percentage of people added to a population over a period of time.

Why is it important?

Population growth impacts many aspects of the economy and delivery of public goods and services, including educational services, police and fire protection, and medical care.

Growth in the number of available workers increases the aggregate labor pool and may be a business opportunity to expand production capacity.

Population increases also boost the consumer base, offering businesses opportunities to expand sales and services. Conversely, a larger workforce, without an increase in jobs, may result in lower wages as more workers compete for jobs.

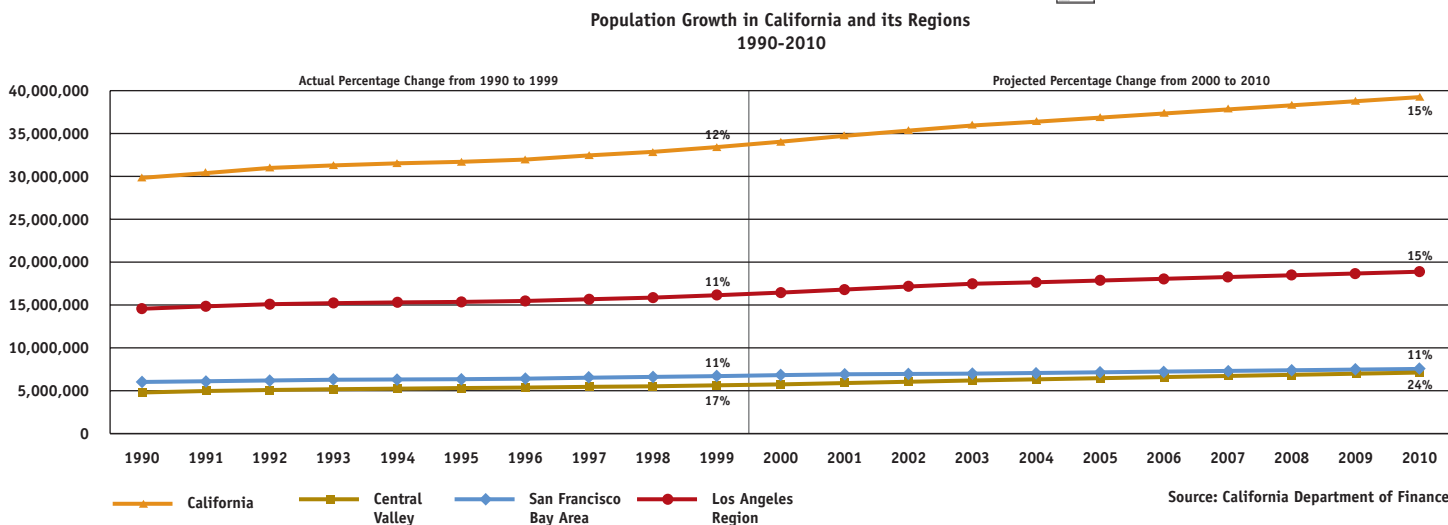
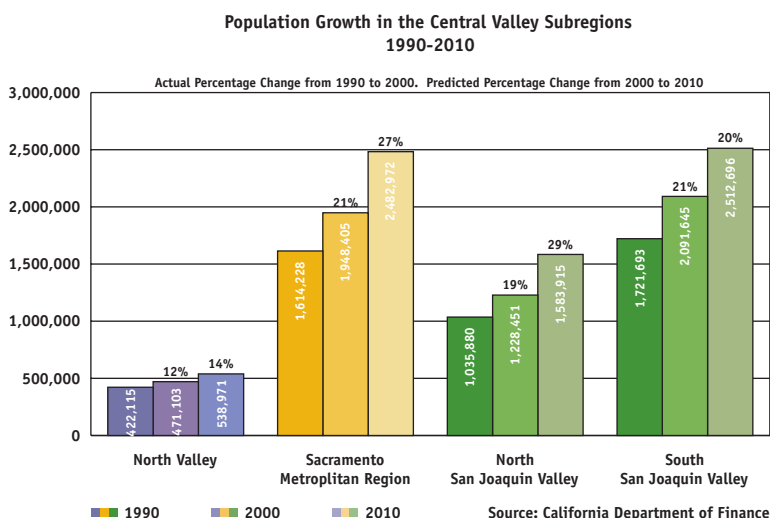
How are we doing?

From 1990-1999, the population in the Central Valley increased faster than in any other California region. The population of the 19 counties grew more than 17%, while the state's population grew 12%.

The Central Valley population is predicted to grow by another 24% between 2000-2010, substantially faster than the state and Los Angeles Region at 15% each and the San Francisco Bay Area at 11%. A growth rate of 24% creates substantial pressure on traffic, schools, and other public services.

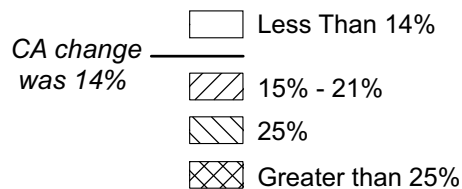
Projected growth rates in the Central Valley vary by subregion, from 14% in the North Valley to an extremely fast 29% in the North San Joaquin Valley.

More than half (58%) of the Central Valley's population growth is from migration. Sixty percent of the migration is from coastal regions in California. Migration is most significant in the North Valley and least significant in the South San Joaquin Valley, where population growth is mostly from births to current residents.



POPULATION CHANGE, 1990-2010

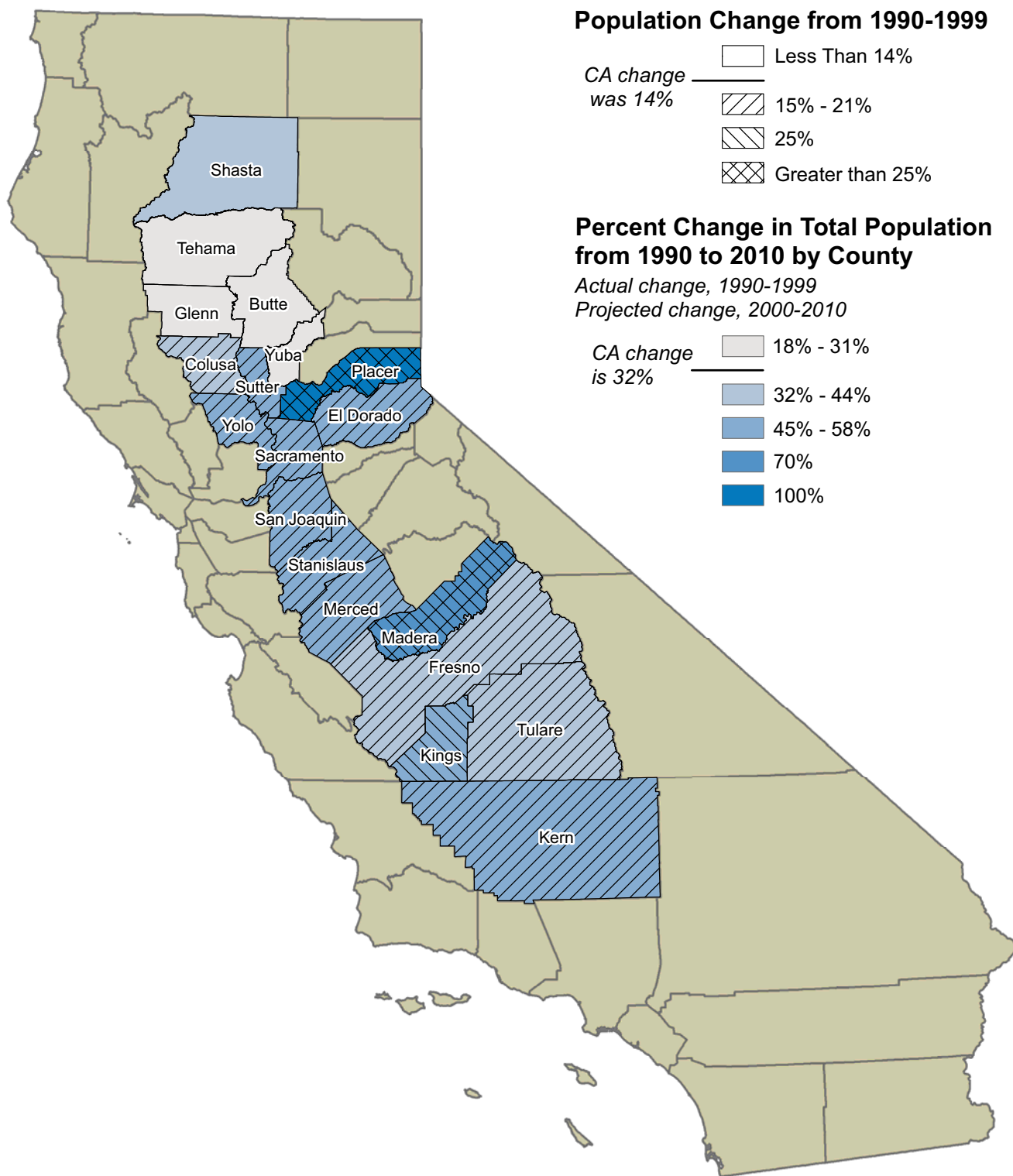
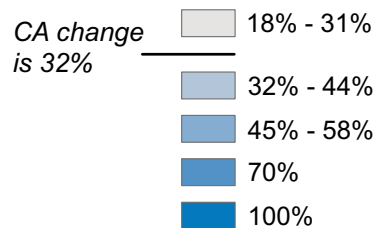
Population Change from 1990-1999



Percent Change in Total Population from 1990 to 2010 by County

Actual change, 1990-1999

Projected change, 2000-2010



Data presented on this map are grouped in ranges to most closely reflect actual values for each county.

0 25 50 100 Miles

Source: CA Department of Finance



PER CAPITA INCOME

Per capita income in the Central Valley is among the lowest in the country.

Definition:

Per capita income is the average annual income per individual in a community or jurisdiction. It is calculated by taking the total dollars of income in a community and dividing it by the total number of people living in that community. It is not the same as median income, which is the level at which half the incomes are higher and half are lower.

Why is it important?

Per capita income is a major factor in a community's standard of living. Regions with a higher per capita income tend to have more educational, recreational, and entertainment opportunities. Per capita income is often used as an approximate indicator of a region's economic health.

However, using per capita income alone as an economic indicator can be misleading as lower income areas often have a lower cost of living.

How are we doing?

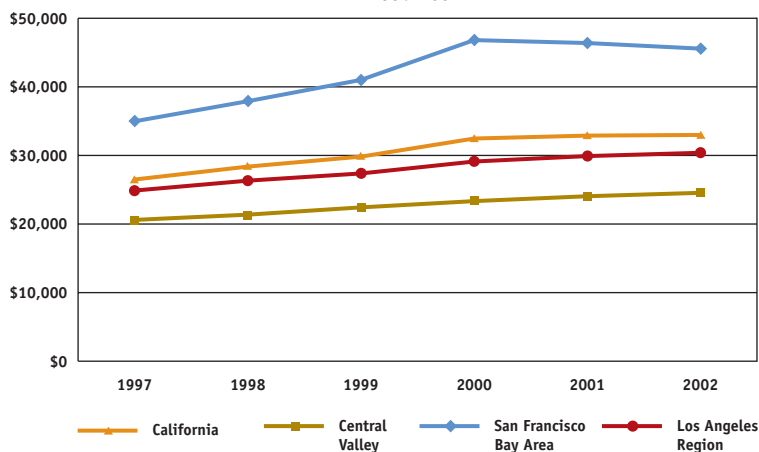
Per capita income for 2002 in the Central Valley was \$24,550, 26% below the state average of \$32,989. To put this in perspective, the Central Valley would rank 48th out of what would be 51 states in the nation in per capita income if it were a separate state, above West Virginia, Arkansas, and Mississippi.

From 1997 to 2002, the per capita income in the Central Valley consistently lagged behind California as a whole. During that time, California's per capita income increased by 25%, while the Central Valley's increased by 19%. Thus, Central Valley per capita income decreased relative to other areas.

Average per capita income in the Central Valley varies considerably by region. It is highest in the Sacramento Metropolitan Region and lowest in the South San Joaquin Valley.

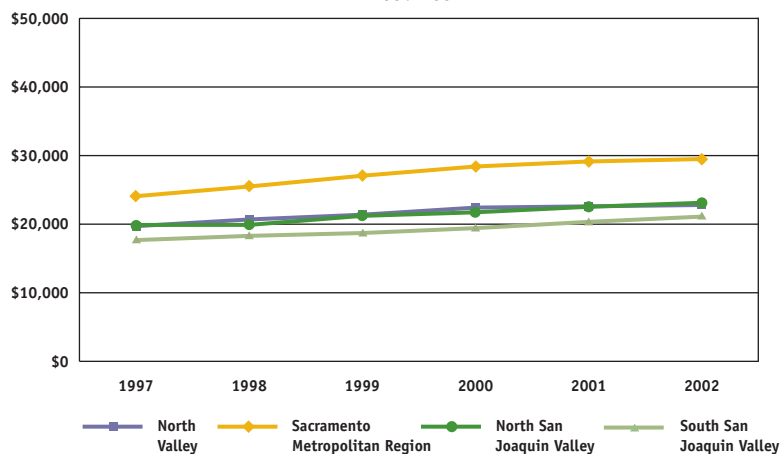
In 2002, 7 of the 10 counties in California with the lowest per capita income were located in the Central Valley.

Per Capita Income in California and its Regions
1997-2002



Source: US Department of Commerce, Bureau of Economic Analysis

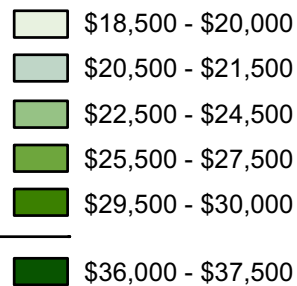
Per Capita Income in the Central Valley Subregions
1997-2002



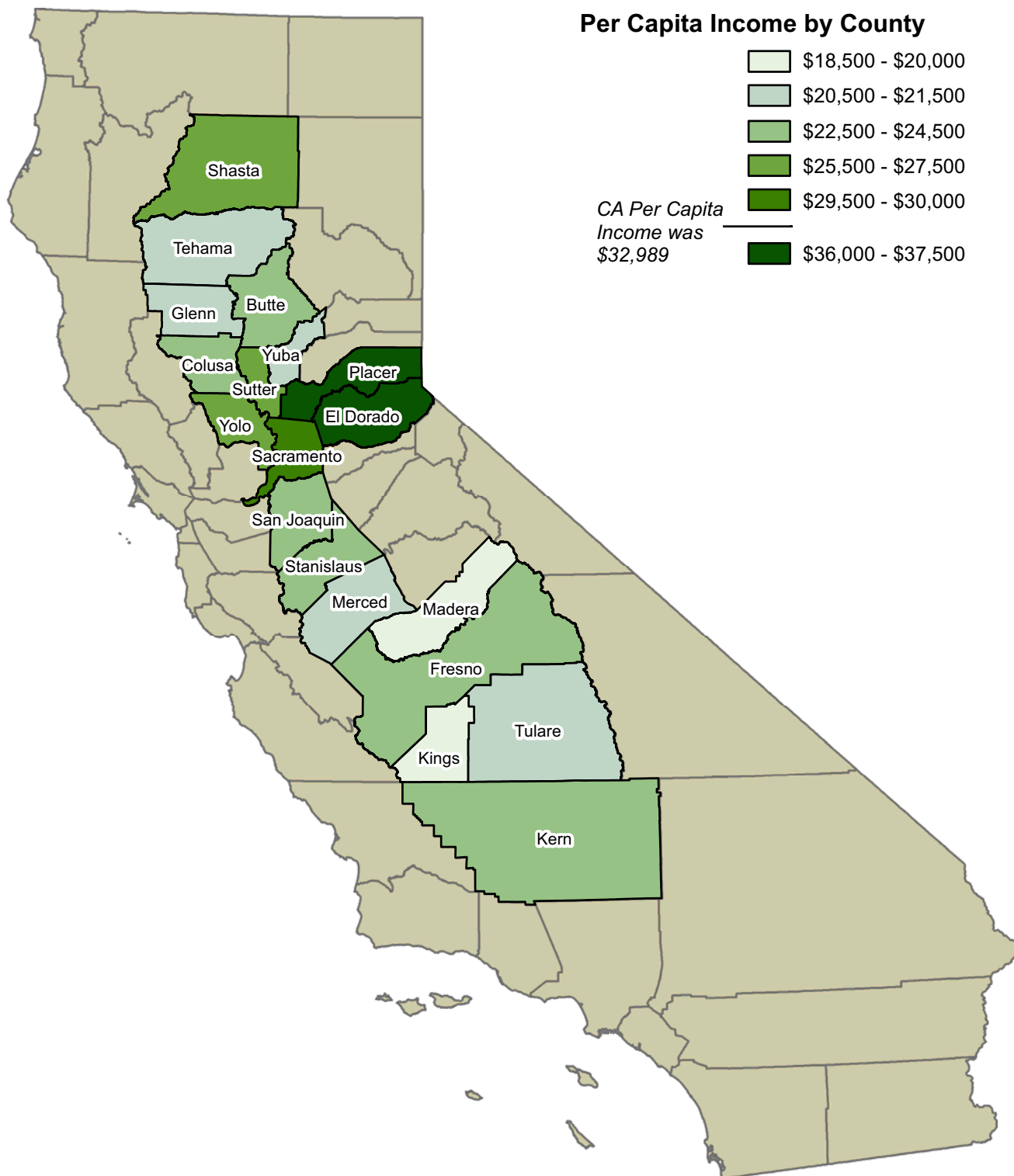
Source: Source: US Department of Commerce, Bureau of Economic Analysis

PER CAPITA INCOME BY COUNTY, 2002

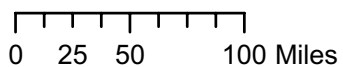
Per Capita Income by County



CA Per Capita
Income was
\$32,989



Data presented on this map are grouped in ranges to most closely reflect actual values for each county.



Source: U.S. Department of Commerce



RESIDENTIAL BUILDING PERMITS

The Central Valley is rapidly increasing its supply of housing, particularly single-family homes.

Definition:

This indicator measures building permits for new residential construction, including houses, condominiums, and apartments.

Why is it important?

Building permits for residential housing are an accurate predictor of new housing units. New housing is necessary for a rapidly growing population and may attract additional residents to an area.

Housing construction also creates jobs, although construction jobs are typically seasonal and short-term. Construction is a significant contributor to economic health when there is steady growth. (Please refer to page 20 for details on construction-related employment.)

Housing construction generates economic benefits for those both directly and indirectly associated with the construction. Direct benefits are those directly associated with the construction of a new home, including labor and materials costs. Indirect benefits go to businesses that supply the materials needed for construction, including stores where building supplies are purchased, trucking companies that deliver materials, and architects who design the structures.

How are we doing?

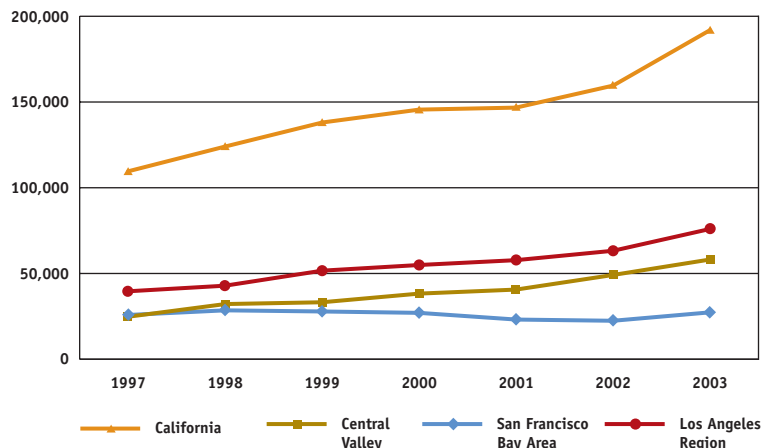
Since 1996, residential construction has been a primary force in the Central Valley economy. After a substantial decline from 1989 to 1996, new building permits have increased every year in the Central Valley. In 2003, they exceeded 58,000—double the number in 1996, when the housing industry was in a slump. On a year-to-year basis, housing permits are increasing at a faster rate than the population is growing.

Approximately 85% of permits are for houses, with the remainder for condominiums and apartments. There is a slightly higher percentage of multi-family permits in the Sacramento Metropolitan Region than other subregions in the Central Valley.

In absolute numbers, the Central Valley is building more housing units than the nine-county San Francisco Bay Area and fewer than the Los Angeles Region. For example, in 2003 the Central Valley produced 113% more units than the San Francisco Bay Area despite a population that was 13% smaller.

In 2003, housing construction generated approximately \$15 billion in direct and indirect economic value in the Central Valley.

Residential Building Permits Issued in California and its Regions
1997-2003



Source: US Department of Housing and Urban Development

HOUSING AFFORDABILITY

Houses in the Central Valley remain more affordable than elsewhere in California.

Definition:

Housing affordability compares the median household income in a county with the median price of a house in that county. It accounts for price, income, interest rates, property taxes and insurance, and assumes a 20% down payment.

A measure of 100 means that the area's median income is sufficient to purchase a median-priced home in that area. A measure higher than 100 means that the median income is more than required to purchase a median-priced home, and a measure less than 100 means that the median income is not sufficient to purchase a home at the median price. For example, if a county has an affordability index of 95, it means that the median-income household has 95% of the income necessary to purchase a median-priced home.

The full cost of housing choices is not limited to home prices. Other factors include the costs of taxes, insurance, utilities, such as air conditioning, and the financial and environmental costs of commuting.

Why is it important?


Home ownership is a goal of many people. It is usually the largest financial decision a household will make. Home ownership helps ensure that residents have a long-term vested interest in their community. In addition, appreciation of property can promote "upward mobility."

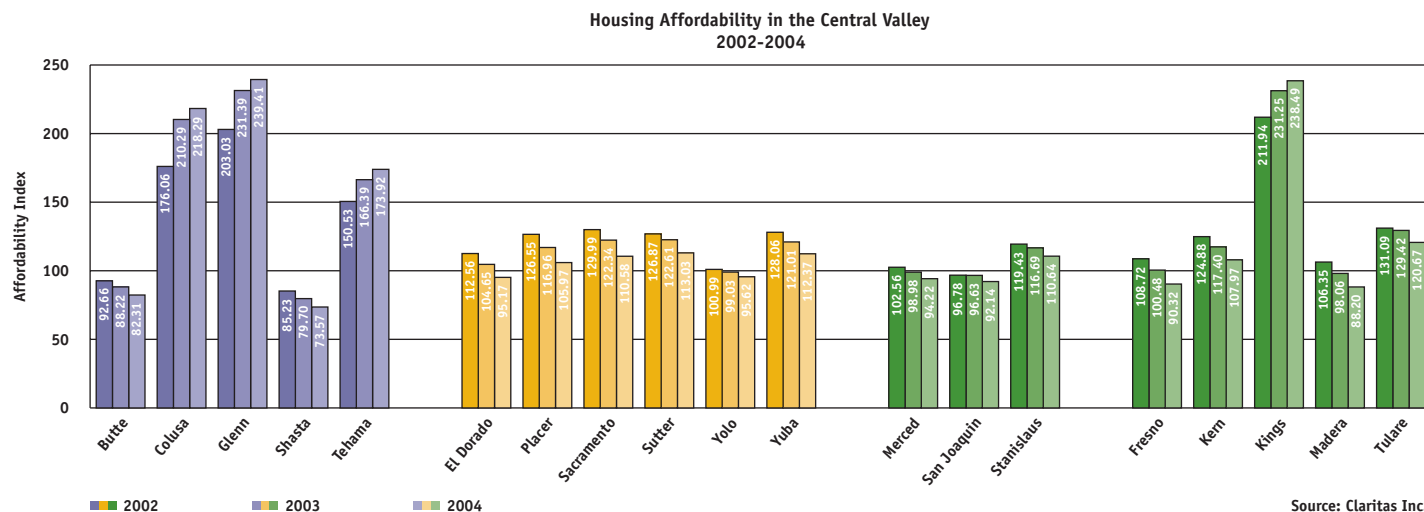
The ability to own a home is affected by the buyer's income and the price and availability of houses. As people are priced out of their local housing market, they may move further from their jobs or spend a greater proportion of their income on housing.

How are we doing?

Housing is affordable to median income families in 11 of the 19 Valley counties. Since 2002, affordability has increased in four counties (Colusa, Glenn, Tehama, and Kings) and decreased in 15. Five Central Valley counties have seen their index fall below 100 since 2002 (El Dorado, Yolo, Merced, Fresno, and Madera).

Despite the drop in affordability, the percentage of home owners in the Valley is increasing slightly. In 2003, fifteen Valley counties had home ownership rates above the state average of 57%.

There are several factors beside low interest rates contributing to high home ownership rates despite rising home prices. These include incentive programs for first-time home buyers who can often pay less than 20% for a down payment, financial assistance from families (especially the transfer of wealth from baby boomers), and commuters who live in the Central Valley but work for higher wages in the San Francisco Bay Area or Los Angeles Regions. 



RENTAL AFFORDABILITY

Nearly 50% of Central Valley residents cannot afford a median priced two-bedroom unit.

Definition:

Rental affordability measures the percentage of the population that can afford to rent a median priced rental unit. A unit is considered affordable if it requires no more than 30% of a renter's gross income.

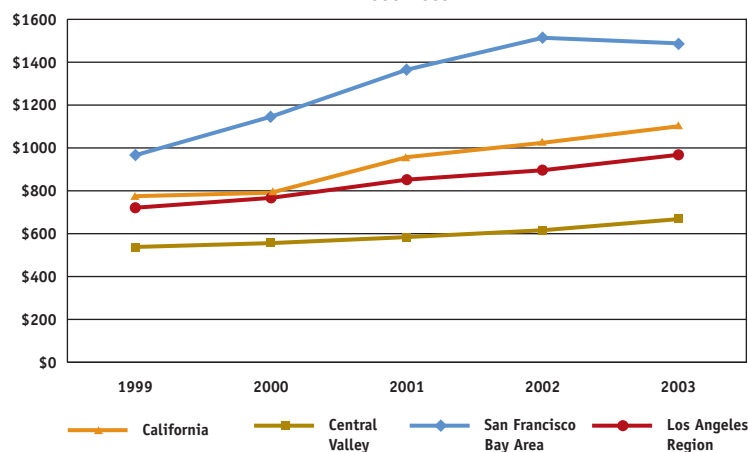
Why is it important?

Affordable rental housing is essential for residents who choose to live in rental housing or who cannot afford to buy a home. A lack of affordable housing requires these residents to double-up and share rents or to pay a higher proportion of their income on rent, leaving less money for food, health care, transportation, child care, education, and other goods and services. Employment centers often have higher rents. These rents may result in longer commutes if residents seek less expensive housing further from employment centers.

How are we doing?

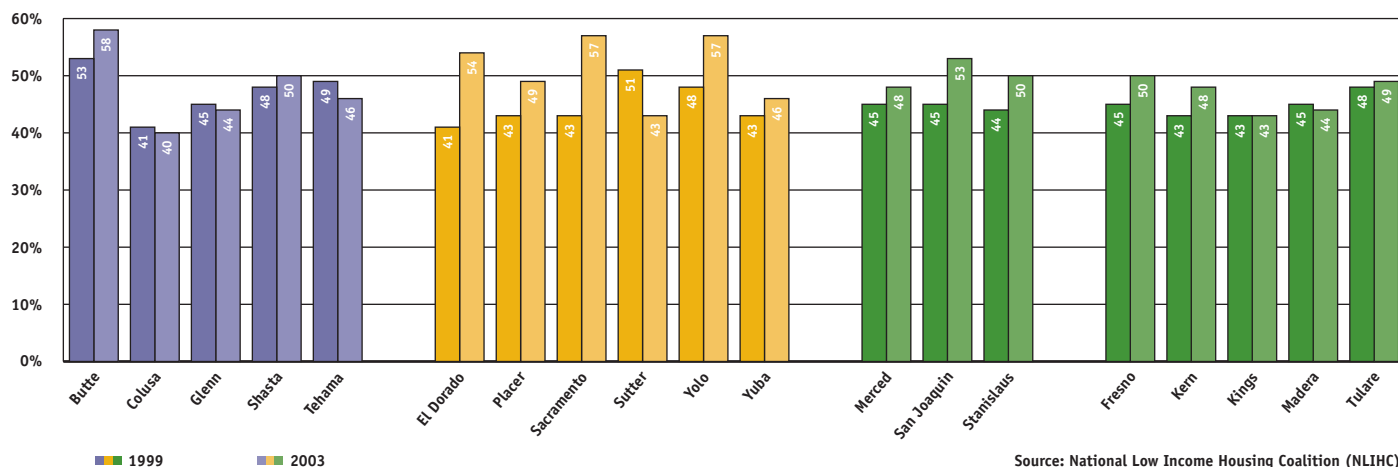
Although rents in the Central Valley are lower than the state average, approximately 50% of Valley residents are unable to afford a median-priced two-bedroom unit. From 1999 to 2003, rents in the Central Valley for two-bedroom units increased 24%.

Rent for a Two-Bedroom Unit in California and its Regions
1999-2003



Source: National Low Income Housing Coalition (NLIHC)

Percentage of Renters Unable to Afford Rent for a Median-Priced Two-Bedroom Unit in the Central Valley
1999 and 2003



Source: National Low Income Housing Coalition (NLIHC)

BUSINESS VITALITY



Photo by Logan Perkes

While agriculture remains a significant part of the Central Valley's economy, service industries are becoming increasingly important. This is a difficult transition because some service industries, such as rapidly-growing retail

sales, historically pay low wages and may be seasonal. Unemployment in the Valley remains considerably higher than the state average.

- The labor force is growing faster than jobs are being created.
- From 1998–2003, the Central Valley's unemployment rate averaged 4.2% higher than the state rate. This is a slight improvement from the prior five years, when the Central Valley rate was 4.8% higher.
- Wages in the Central Valley are lower than elsewhere in California.
- As of 2003, 77% of Central Valley jobs were in service-providing industries, especially government and trade, transportation, and utilities. The state average for service industries was 82%. Goods-producing industries, including construction and manufacturing, provided 14% of Central Valley jobs, while farming provided the remaining 9%.
- From 1994 through 2003, the Central Valley lost nearly 10,000 agriculture-related jobs, or 5% of the 1994 total.
- Construction has been the fastest growing industry since 1994.
- Tourism has grown substantially since the early 1990s, particularly in the Sacramento Metropolitan Region, and has generated jobs.

Central Valley Subregions

North Valley (Five counties—Butte, Colusa, Glenn, Shasta, and Tehama)

Sacramento Metropolitan Region (Six counties—El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba)

North San Joaquin Valley (Three counties—Merced, San Joaquin, and Stanislaus)

South San Joaquin Valley (Five counties—Fresno, Kern, Kings, Madera, and Tulare)

JOB GROWTH AND LABOR FORCE GROWTH

The labor force is growing faster than the number of jobs.

Definition:


Job and labor force growth are two distinct, but related, indicators:

- Job growth measures the change in the number of jobs in a county over a period of time.
- Labor force growth measures the change in the civilian labor force in an area over a period of time. It includes both people with jobs and the unemployed.

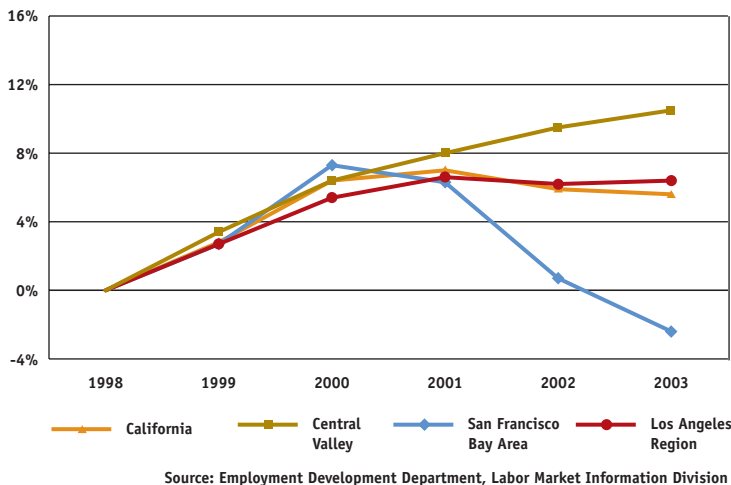
Why is it important?

For most people, jobs are the primary source of income through wages and benefits. In a healthy economy, job growth will keep pace with the growth of the labor force to provide adequate employment opportunities. If this does not occur, residents will be unemployed, underemployed, may commute to jobs outside of their home regions, or relocate.

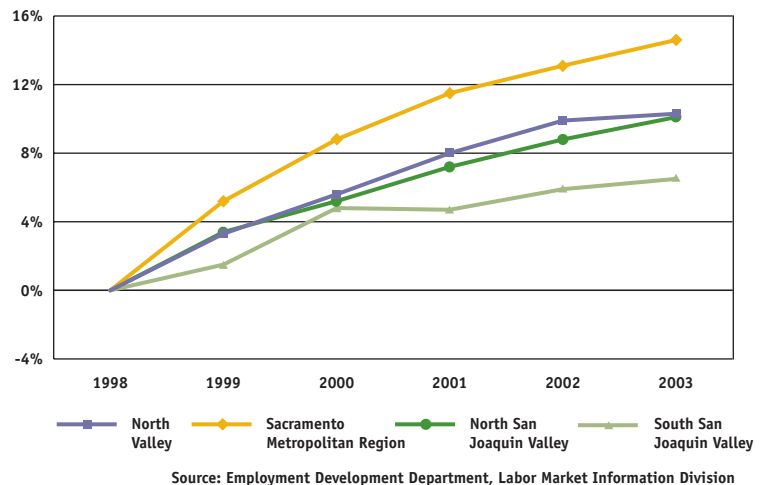
How are we doing?

From 1998 to 2003, the Central Valley's labor force grew faster (11.1%) than jobs (10.5%). The most significant difference was in the South San Joaquin Valley, where the labor force grew 7.9% while jobs grew 6.5%. This is likely because many new Central Valley residents are commuting to jobs in the San Francisco Bay Area and Los Angeles Regions. 

Job Growth in California and its Regions (1998 Benchmark)
1998-2003



Job Growth in the Central Valley Subregions (1998 Benchmark)
1998-2003



ANNUAL UNEMPLOYMENT RATE

Central Valley unemployment remains substantially higher than the state average.

Definition:

The unemployment rate measures the percentage of the workers 16 and older who are not working or are working less than full time and who are actively seeking employment. The unemployment rate excludes those who are self-employed, no longer seeking employment, or those with unreported wages.

Why is it important?

The unemployment rate is one of the best ways to measure the economic health of a region. High unemployment means that there are more workers seeking work than there are jobs available.

Unemployed workers often face serious financial difficulty. People who are unemployed frequently receive unemployment insurance for a limited time to maintain a minimal standard of living.

High unemployment also can result in greater competition for existing jobs and lead to lower overall wages.

How are we doing?

Six of the ten metropolitan areas in the U.S. with the highest unemployment rates are in the Central Valley.

While unemployment in the Central Valley remains substantially higher than the rest of California, the difference has decreased slightly since 1998.

From 1994 to 1998, the Central Valley's unemployment rate averaged 11.9%, which was 4.8 percentage points higher than the state rate. From 1999–2003, the Central Valley unemployment rate averaged 10%, which was 4.2 percentage points higher than the state rate.

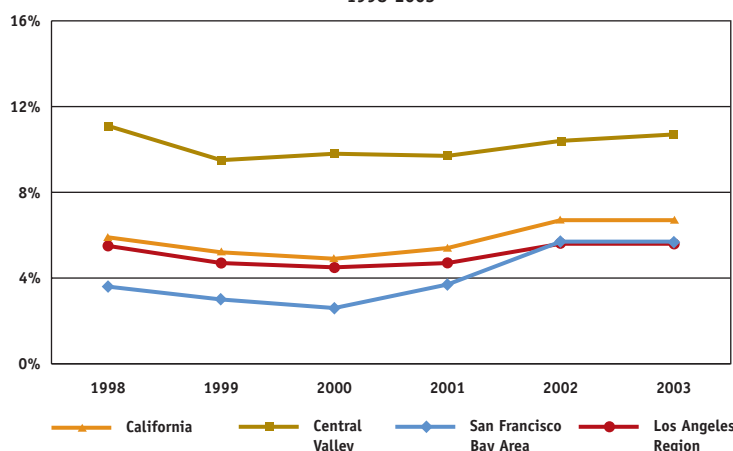
Unemployment rates in all the subregions of the Central Valley are consistently higher than the state average. In the Central Valley, they are consistently highest in the South San Joaquin Valley (13–14%), and lowest in the Sacramento Metropolitan Region (6.7–8.1%).

Highest Annual Unemployment Rates for Metropolitan Statistical Areas in the United States 2003

MSA	Rate
1. Yuma, AZ	23.5
2. Visalia-Tulare-Porterville, CA	15.5
3. Merced, CA	14.8
4. Fresno, CA	14.0
5. Yuba City, CA	13.8
6. McAllen-Edinburg-Mission, TX	13.6
7. Bakersfield, CA	12.3
8. Modesto, CA	11.5
9. Brownsville-Harlingen-San Benito, TX	11.0
10. Yakima, WA	10.6

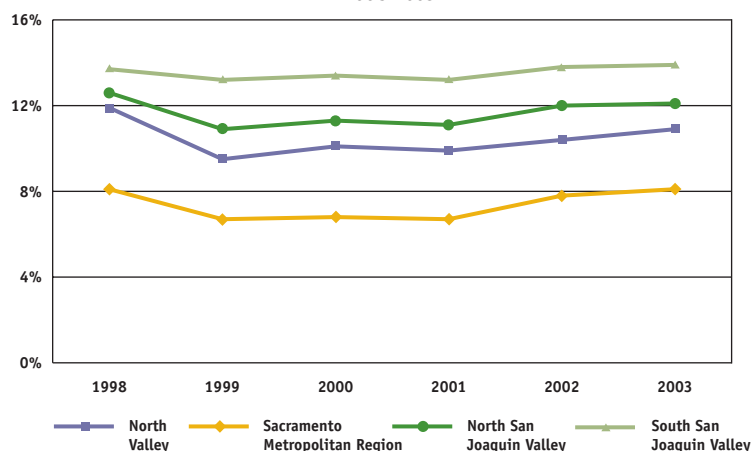
Source: US Department of Labor, Bureau of Labor Statistics

Unemployment Rate in California and its Regions
1998-2003



Source: Employment Development Department, Labor Market Information Division

Unemployment Rate in the Central Valley Subregions
1998-2003



Source: Employment Development Department, Labor Market Information Division

UNEMPLOYMENT RATE BY MONTH

Unemployment in the Central Valley varies by season.

Definition:

This indicator measures the monthly unemployment rate within one year (2003). It also compares the unemployment rate with the harvesting seasons for the Central Valley's ten largest agricultural products, by value.

Why is it important?

Tracking unemployment by month shows how unemployment varies over the course of a year. Comparing the monthly rate with the primary harvesting seasons provides an indication of how agriculture affects unemployment.

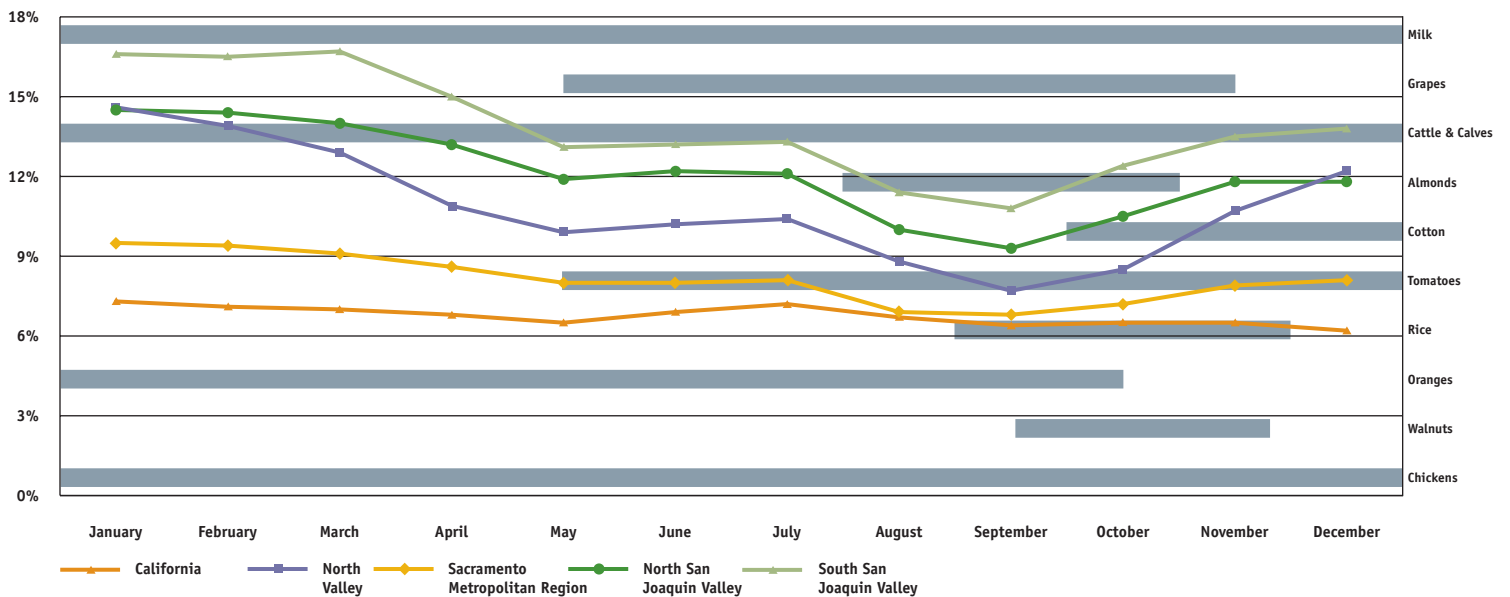
How are we doing?

The unemployment rate in the Central Valley varies by season. Unemployment decreases in the spring. This may be due to increased hiring for construction. It also decreases in the summer, which appears due to increased farm activity. Unemployment increases rapidly in the fall and winter, when harvesting season for some major crops is over and when construction typically slows. These trends suggest that variations in unemployment during the year are related to seasonal factors for major Central Valley industries, including agriculture and construction.

However, while the rates vary seasonally, the Valley's rates are significantly higher (4.2%) than the rest of the state, even during the summer months, suggesting that other factors influence unemployment.



Unemployment Rate by Month in the Central Valley and its Subregions Compared with Harvest Seasons for the Top Ten Commodities in the Central Valley
2003



Source: Summary of County Agricultural Commissioner's Reports, 2002-20003, National Agriculture Statistics Service
California Employment Development Department, Labor Market Information Division

WAGES BY INDUSTRY

Wages in the Central Valley are lower than the state average.

Definition:

This indicator measures the average dollar amount earned annually by employees in different areas and in different industries.

Why is it important?

The level of wages earned greatly influences quality of life. People paid higher wages usually have more discretionary money to spend on goods and services other than basic expenses such as food, shelter, and clothing.

However, the cost of living varies within the Central Valley, and a higher cost of living in some areas can reduce the spending power of higher wages. Those paid lower wages who live in lower-cost areas may actually end up with more discretionary income than those with higher wages living in high-cost areas.

How are we doing?

In every category, wages in the Central Valley are lower than the average in California. This may reflect lower levels of education among Central Valley residents, the role of agriculture in the Valley, and the lack of high-level professional positions, headquarters and offices.

In the Central Valley, wages are highest in the Sacramento Metropolitan Region and lowest in the North Valley and the South San Joaquin Valley.

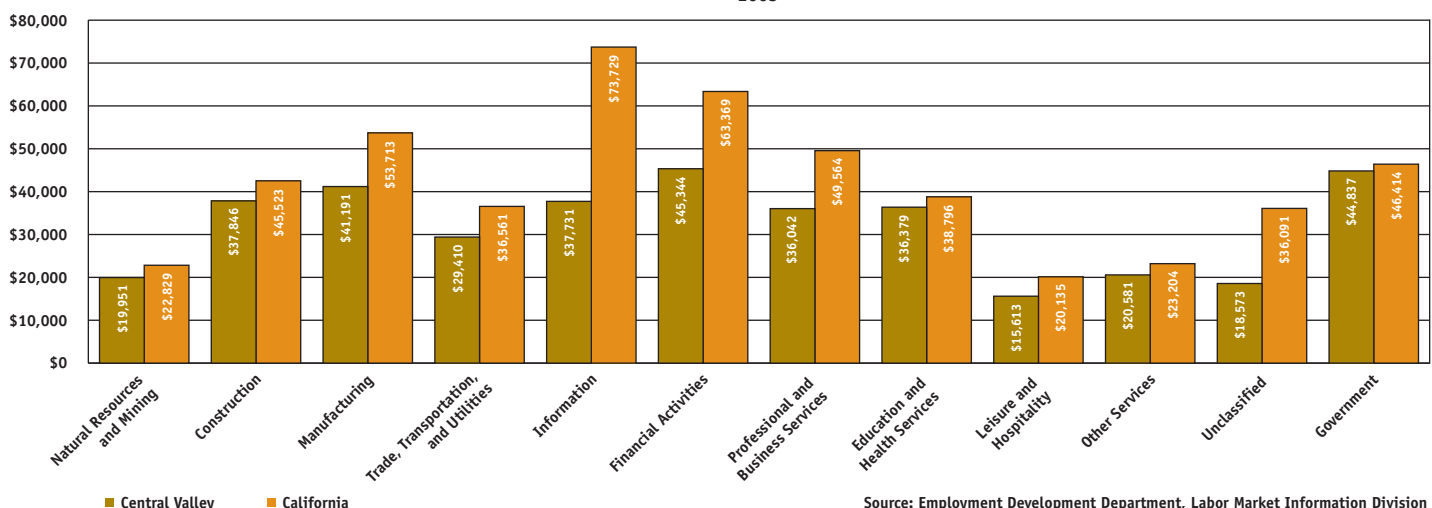
By industry, wages in the Central Valley are highest in financial activities, government, and manufacturing.

For further information, please visit

www.calmis.cahwnet.gov/file/es202/cew-select.htm.



Average Annual Wage by Industry in the Central Valley as Compared to California
2003



Source: Employment Development Department, Labor Market Information Division

EMPLOYMENT BY INDUSTRY

Jobs in the Central Valley are increasingly in service industries.

Definition:

This indicator measures how employment is distributed across industries. (For more information, please refer to the definitions section on page 43.)

Why is it important?


Comparing employment by industry shows how important different industries are to a region's economy. Information on the mix of industries within a region shows the diversity of the regional economy. An economy focused on one or two industries is more vulnerable to economic cycles than a diverse economy.

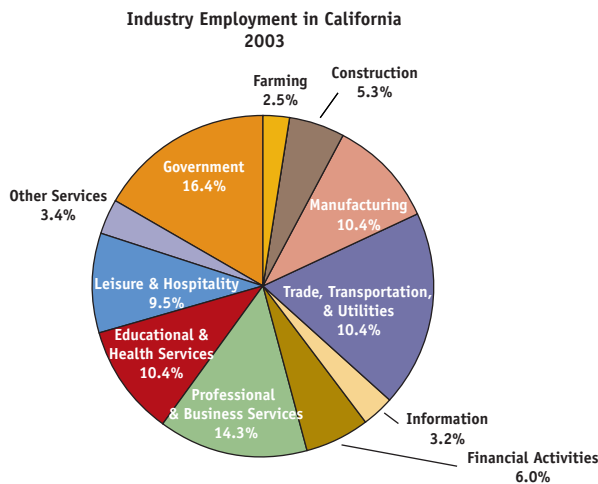
How are we doing?

In 2003, 77% of Central Valley workers were in service-related positions, such as grocery clerks and truck drivers. Statewide, 82% of jobs were in service industries.

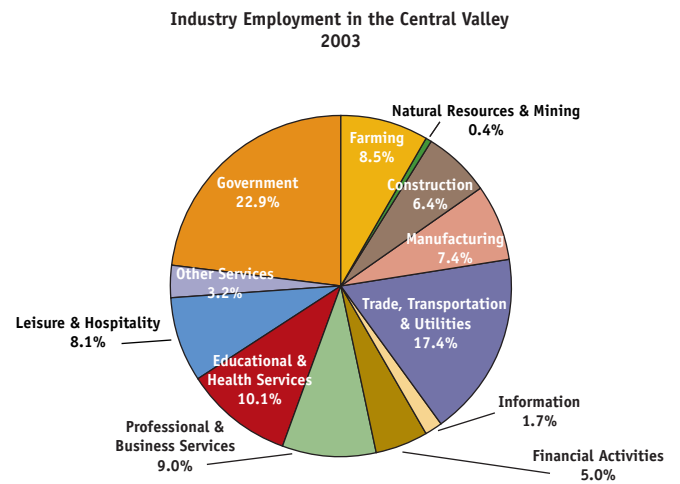
Government is the largest employment industry in the Central Valley, providing 22.9% of jobs, compared to 16.4% for the state as a whole. This is partly due to the state capitol's location in Sacramento and the Valley; over 26% of jobs in the Sacramento Metropolitan Region are in government.

Trade, Transportation, and Utilities is the second largest employment industry in the Central Valley, providing 17.4% of jobs compared to 10.4% statewide.

Industries that produced goods (manufacturing, construction, and natural resources and mining) provided 14% of Central Valley jobs. Farming provided 9% directly, with an additional 11% counted in other industries. The percentage of farm jobs varied widely throughout the region, ranging from 1.4% of jobs in the Sacramento Metropolitan Region to 17% in the South San Joaquin Valley. 

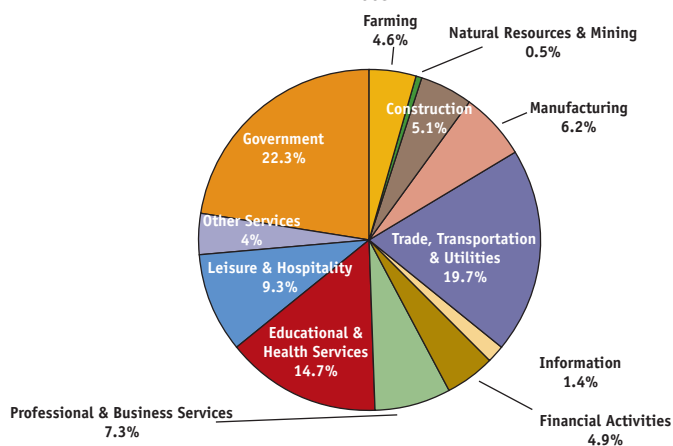


Source: Employment Development Department
Labor Market Information Division



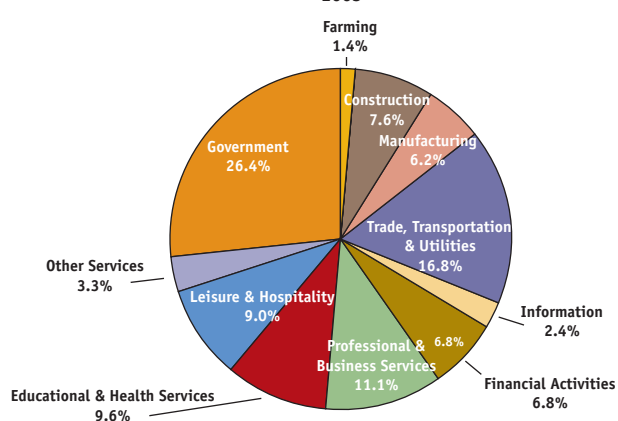
Source: Employment Development Department
Labor Market Information Division

Industry Employment in the North Valley
2003



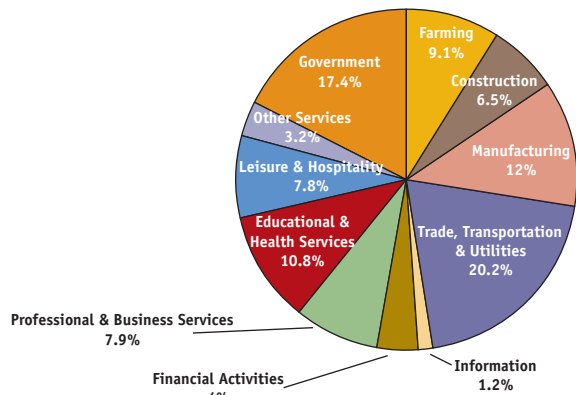
Source: Employment Development Department
Labor Market Information Division

Industry Employment in the Sacramento Metropolitan Region
2003



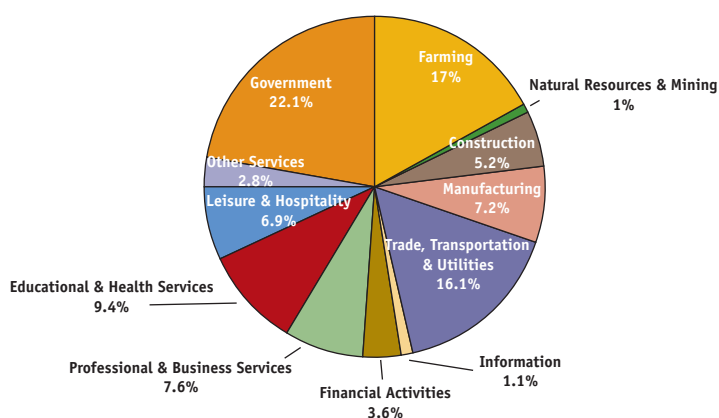
Source: Employment Development Department
Labor Market Information Division

Industry Employment in the North San Joaquin Valley
2003



Source: Employment Development Department
Labor Market Information Division

Industry Employment in the South San Joaquin Valley
2003



Source: Employment Development Department
Labor Market Information Division

EMPLOYMENT CHANGES BY INDUSTRY

The Central Valley is gaining jobs in all industries, except agriculture and natural resources.

Definition:

This indicator describes jobs changes among industries. It shows which industries are adding jobs and which are providing fewer jobs and by how much.


Why is it important?

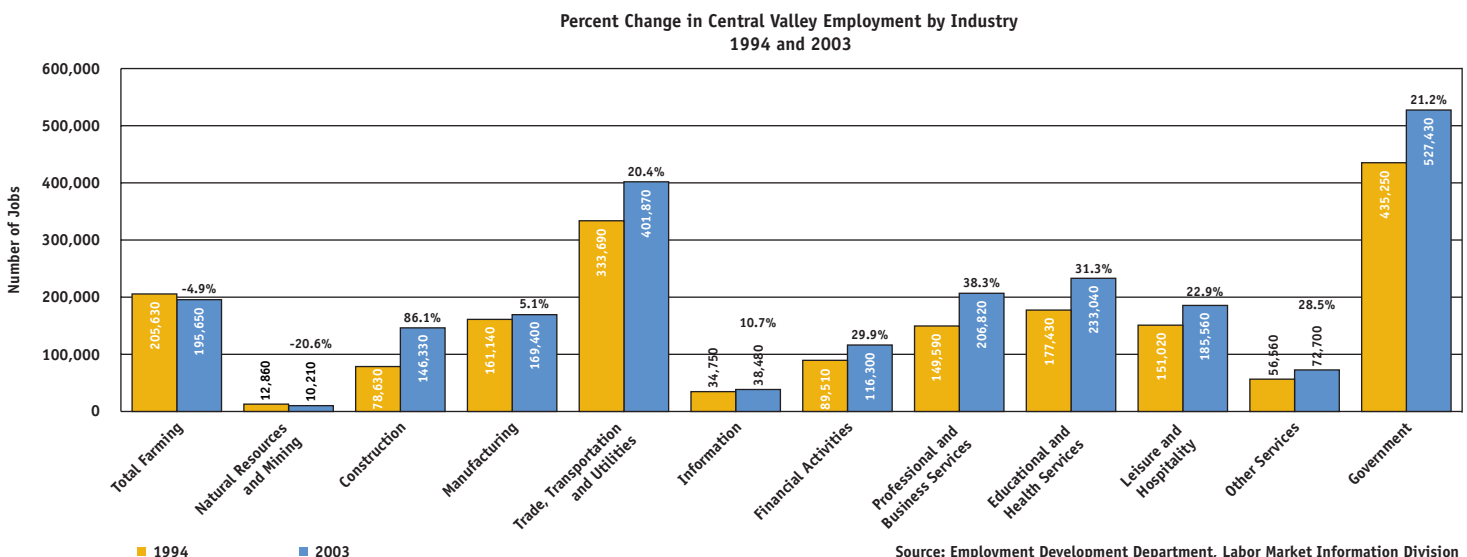
Changes in the numbers and types of jobs affect many aspects of the economy. For example, different industries require different levels of education and training. They also provide different wages, which can influence where people live and how much they can afford for housing and other expenses. Changes in jobs can also affect the types and costs of government services provided to a community.

Job seekers and job counselors can use information on employment changes to identify job opportunities. Government agencies, researchers, educators, and others can use this information to develop plans for economic development and training and infrastructure planning.

How are we doing?

From 1994 through 2003, the Central Valley gained jobs in all service industries, manufacturing, and construction (which has been the fastest growing industry). The large percentage change in construction was large in part because the construction industry was in a slump in the mid-1990s. In 2003 it provided 6.4% of Central Valley jobs, almost double the earlier number.

From 1994 to 2003, the Central Valley as a whole lost jobs in two industries: natural resources and mining (2,650 jobs or 20.6%), and farming (nearly 10,000 jobs or 4.9%). There were wide variations among regions. Eighty-five percent of the lost farming jobs were in the South San Joaquin Valley, while the North San Joaquin Valley gained 1,600 farming jobs (4.1%). Mechanization of farming processes and the change to less labor intensive crops are factors in the loss of farm-related jobs. 



Source: Employment Development Department, Labor Market Information Division

RETAIL SALES

Retail sales have grown significantly faster than the population.

Definition:

This indicator measures annual retail sales in the Central Valley. Retail sales include sales from goods such as furniture, office supplies, clothing, food, automobiles, and household items.

Why is it important?

Retail sales are a good indicator of economic vitality, particularly when compared to changes in population growth. Also, retail sales impact hiring trends. For example, an increase in retail sales may lead to an increase in local employment. Increased retail sales may lead to a greater selection of goods in a community, thereby attracting more spending and new businesses. Retail sales generate sales taxes which have become an important revenue source for local governments.

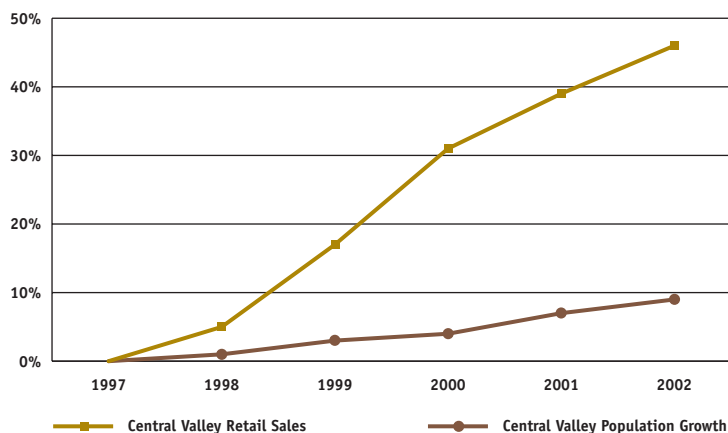
How are we doing?

Retail sales in the Central Valley have increased substantially faster than the population has grown. From 1998 to 2002, retail sales in the Central Valley increased 38%, from \$36.7 billion to \$50.8 billion, while the population increased by approximately 10%. Part of the increase was likely due to inflation, which averaged 2.3% per year from 1998 to 2003. Another factor may have been the increasing number and variety of retail stores in the Central Valley, making it easier for residents to shop in the Valley instead of going outside the region for major purchases.

From 1998–2002, the San Joaquin Valley led the Central Valley in retail sales, averaging nearly \$24 billion per year. During the same time, the North Valley had the lowest retail sales in the region with an average of \$3.4 billion per year, reflecting the smaller population.

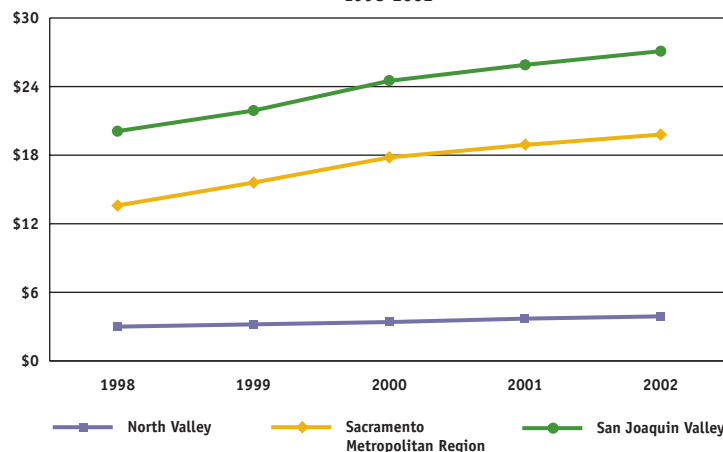
The average hourly retail wage for the Central Valley was \$11.38, slightly less than the state average of \$11.77. For the Los Angeles Region and the San Francisco Bay Area, the average hourly wages in the retail trade were \$13.09 and \$14.58, respectively.

Retail Sales and Population Growth in the Central Valley
as a Percentage of 1997 Levels
1998-2002



Source: California 2004-2020 County Level Economic Forecast, December 2003
Caltrans: Office of Transportation Economics, Division of Transportation Planning

Annual Retail Sales in the Central Valley Subregions (in billions)
1998-2002



Source: California 2004-2020 County Level Economic Forecast, December 2003
Caltrans: Office of Transportation Economics, Division of Transportation Planning

INTERNET PRESENCE

A small percentage of Central Valley businesses have a presence on the Internet.

Definition:

This indicator measures the number of businesses in the Central Valley that have a presence on the Internet (i.e., website, e-commerce services).

Why is it important?

The Internet has changed the way many firms conduct commerce and communicate with customers and other businesses. It creates opportunities for businesses to buy and sell products and services in new ways in their local area and beyond, thereby expanding market opportunities.

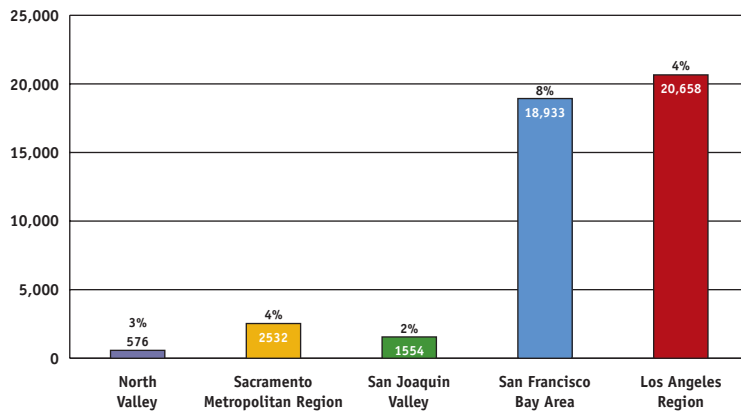
How are we doing?

The Central Valley is behind the Los Angeles Region and the San Francisco Bay Area in the number and percentage of businesses that have a presence on the Internet. In the Central Valley, 3% of businesses have a web presence, compared to 8% of the businesses in the San Francisco Bay Area and 4% of the businesses in the Los Angeles Region.

Within the Central Valley, the Sacramento Metropolitan Region leads with the highest percentage of businesses with a web presence, followed by the North Valley and the San Joaquin Valley.

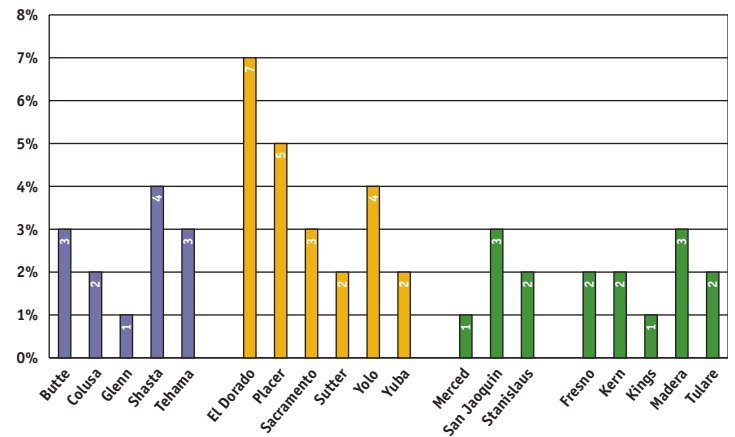
- Sacramento Metropolitan Region: 4%
- North Valley: 3%
- San Joaquin Valley: 2%

Number of Business with a Presence on the Internet
2004



Source: http://dir.yahoo.com/Regional/U_S_States/California/Counties_and_Regions/
<http://directory.google.com/Top/Business> (July 20, 2004)

Percentage of Central Valley Businesses with a Presence on the Internet
2004



Source: http://dir.yahoo.com/Regional/U_S_States/California/Counties_and_Regions/
<http://directory.google.com/Top/Business> (July 20, 2004)

TOURISM

Travel and tourism are growing rapidly in the Central Valley.

Definition:

This indicator includes three measures related to tourism in the Central Valley:

- Travel spending by visitors to and through the Central Valley, including transportation, accommodations, and food.
- Agritourism sites in the Central Valley as compared to the rest of California.
- Transient occupancy taxes, an indicator of travel activity.

Why is it important?

Tourism is an important source of jobs for local communities and generates significant revenue for the Central Valley. The transient occupancy tax is a significant source of revenue for local government.

Agritourism, a potential growth industry for the Central Valley, encourages people to visit agricultural businesses for purposes other than working and provides income to supplement production-related farm income.

How are we doing?

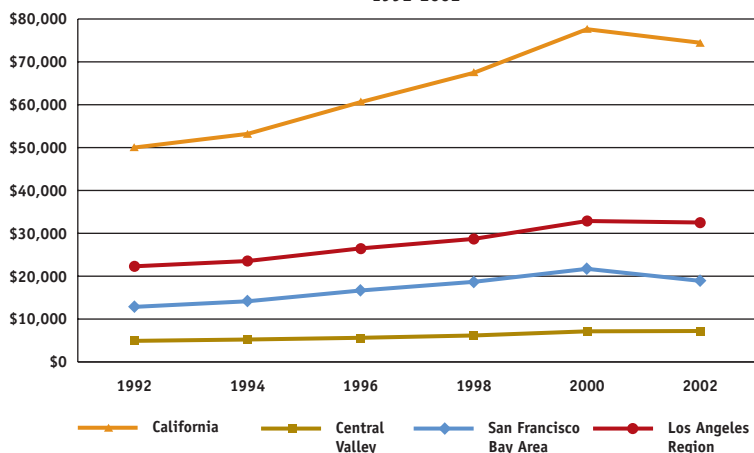
Travel-related spending in the Central Valley increased 47% between 1992 and 2002, from \$4.9 billion in 1992 to approximately \$7.2 billion in 2002. A large majority of the increase occurred in the Sacramento Metropolitan Region.

Agritourism, which is a relatively new travel-related field, is also growing. More than 34% (217) of the 594 agritourism sites in California are located in the Central Valley.

Transient occupancy taxes in unincorporated areas of the Central Valley (those not included within city boundaries) increased from \$11.6 million in 1993 to \$22.3 million in 2002, a 92% increase. During the same time, these taxes increased 68%, from \$36.2 million to \$60.7 million in incorporated areas. The increase in facilities and the particularly sharp increase in transient occupancy taxes collected suggests that tourism is becoming more important to in the Central Valley. Some of the increase is also likely due to changes in tax rates adopted by local governments, which vary by local jurisdiction. (For more information, please see the employment by industry indicator on pages 20 and 21.)

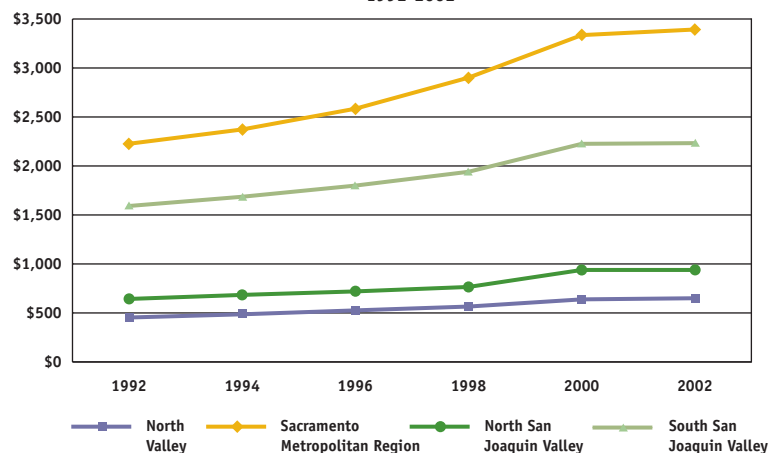


Travel Spending in California and its Regions (in millions)
1992-2002



Source: Dean Runyan Associates

Travel Spending in the Central Valley Subregions (in millions)
1992-2002



Source: Dean Runyan Associates

AGRICULTURE



Agriculture remains the economic base of the Central Valley, the most productive agricultural region in the country and a critical part of the state's economy and the nation's food supply.

- If the Central Valley were a state, it would be ranked first in agricultural production.
- Agriculture provides 20% of the jobs in the Central Valley.
- The San Joaquin Valley generated 88% of the Central Valley's agricultural production in 2002.
- Six of the top seven agriculture-producing counties in California are in the Central Valley.
- The value of agricultural production in the San Joaquin Valley is increasing, while it is decreasing in the North Valley and Sacramento Metropolitan Region.
- Between 1990 and 2002, 3.7% (or 283,277 acres) of the Central Valley's irrigated farmland was converted to other uses, primarily for housing and other urban uses.

Central Valley Subregions

North Valley (Five counties—Butte, Colusa, Glenn, Shasta, and Tehama)

Sacramento Metropolitan Region (Six counties—El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba)

North San Joaquin Valley (Three counties—Merced, San Joaquin, and Stanislaus)

South San Joaquin Valley (Five counties—Fresno, Kern, Kings, Madera, and Tulare)

FARM EMPLOYMENT AND WAGES

Agriculture generates 20% of the jobs in the Central Valley.

Definition:

This measures the impact of agriculture on employment in the Central Valley, and wages for farm workers.

Why is it important?

Agriculture provides jobs directly through farming operations. It also generates jobs in related industries such as food processing, transportation, equipment sales, and other vertically integrated production processes.

Mean Farm Wage 2004

Region	Hourly	Annual
North Valley	\$13.66	\$28,418
Sacramento Metropolitan Region	\$10.32	\$21,469
North San Joaquin Valley	\$8.39	\$17,456
South San Joaquin Valley	\$8.10	\$16,855
Central Valley	\$9.96	\$20,727
California	\$9.02	\$18,761

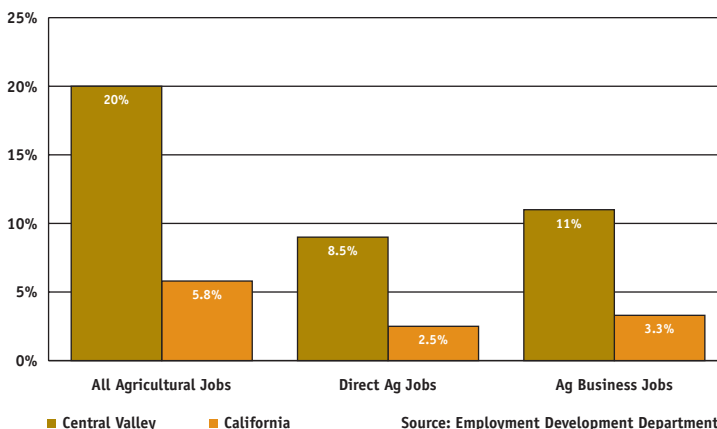
Source: California Employment Development Department, Labor Market Information Division

How are we doing?

Agriculture provides nearly 20% of jobs in the Central Valley. Eight and a half percent are directly related to agriculture, such as farm laborers. Eleven percent are from businesses based on agriculture, such as food processing or farm management. Statewide, agriculture provides 5.8% of jobs, 2.5% directly and 3.3% indirectly.

On average, farm wages in the Central Valley are the lowest of all industries. However, within the Central Valley farm wages vary considerably by subregion. They are highest in the North Valley and lowest in the South San Joaquin Valley. Average farm wages exceed the state average by almost 10% (Central Valley average at \$9.96/hour compared to the California average at \$9.02/hour).

Agricultural Jobs in the Central Valley and California as a Percentage of All Jobs
2003



University of California, Davis

VALUE OF AGRICULTURAL PRODUCTION

The value of agricultural production in the Central Valley is increasing slightly.

Definition:

This indicator measures the annual market value of agricultural products grown in California and the Central Valley. The annual market value is the United States Department of Agriculture estimate of the value of the crop, whether or not it is sold on the market.

Why is it important?

Agriculture plays a vital role in California's economy, with a value of more than \$30 billion in 2002. Agriculture contributes positively to the U.S. balance of trade payments.

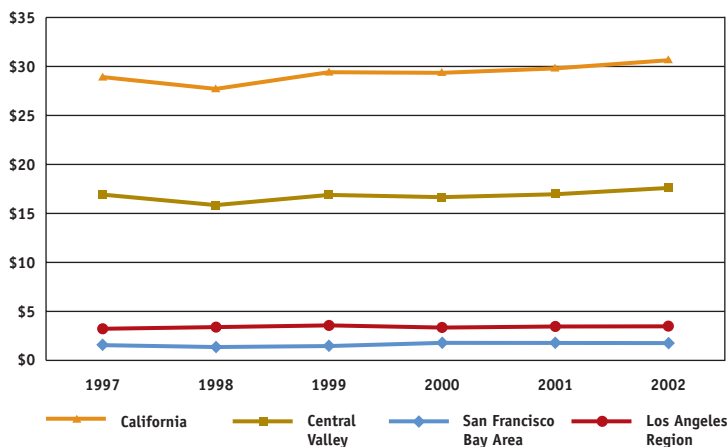
How are we doing?

From 1997 to 2002, the value of agricultural production in the Central Valley increased by 4%. During the same time, it increased 6% for the state as a whole. Thus, the Central Valley proportion of the state's production value decreased slightly from 59% to 57%.

Within the Central Valley, the San Joaquin Valley leads in agricultural production. In 2002 the San Joaquin Valley accounted for 88% of the Central Valley's agricultural output, compared with 6% for the North Valley and 6% for the Sacramento Metropolitan Region. From 1997 to 2002, the San Joaquin Valley contributed an average of 51% of the state's value of agricultural production. Growth of agricultural production value in the San Joaquin Valley increased by 6% from 1997 to 2002, while the North Valley and Sacramento Metropolitan Region declined by 12% and 3%, respectively.

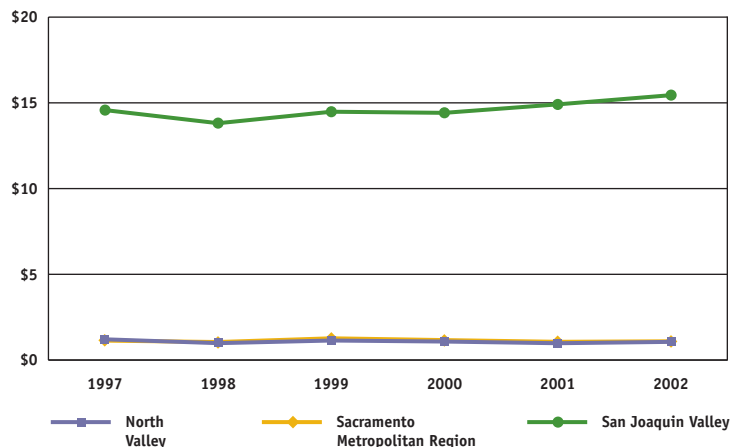
Note: The USDA National Agricultural Statistics Service estimates for the gross value of production includes all farm production, whether it is sold to usual marketing channels or used on the farm where it is produced. It also provides statistics on a broader range of categories than other reporting agencies. For these reasons, the estimates provided by the USDA National Agricultural Statistics Service differ from those provided by the California Agricultural Statistics Service. For more information on this topic, please visit www.nass.usda.gov/ca/bul/agcom/indexcav.htm.

Gross Value of Agricultural Production in California and its Regions (in billions)
1997-2002



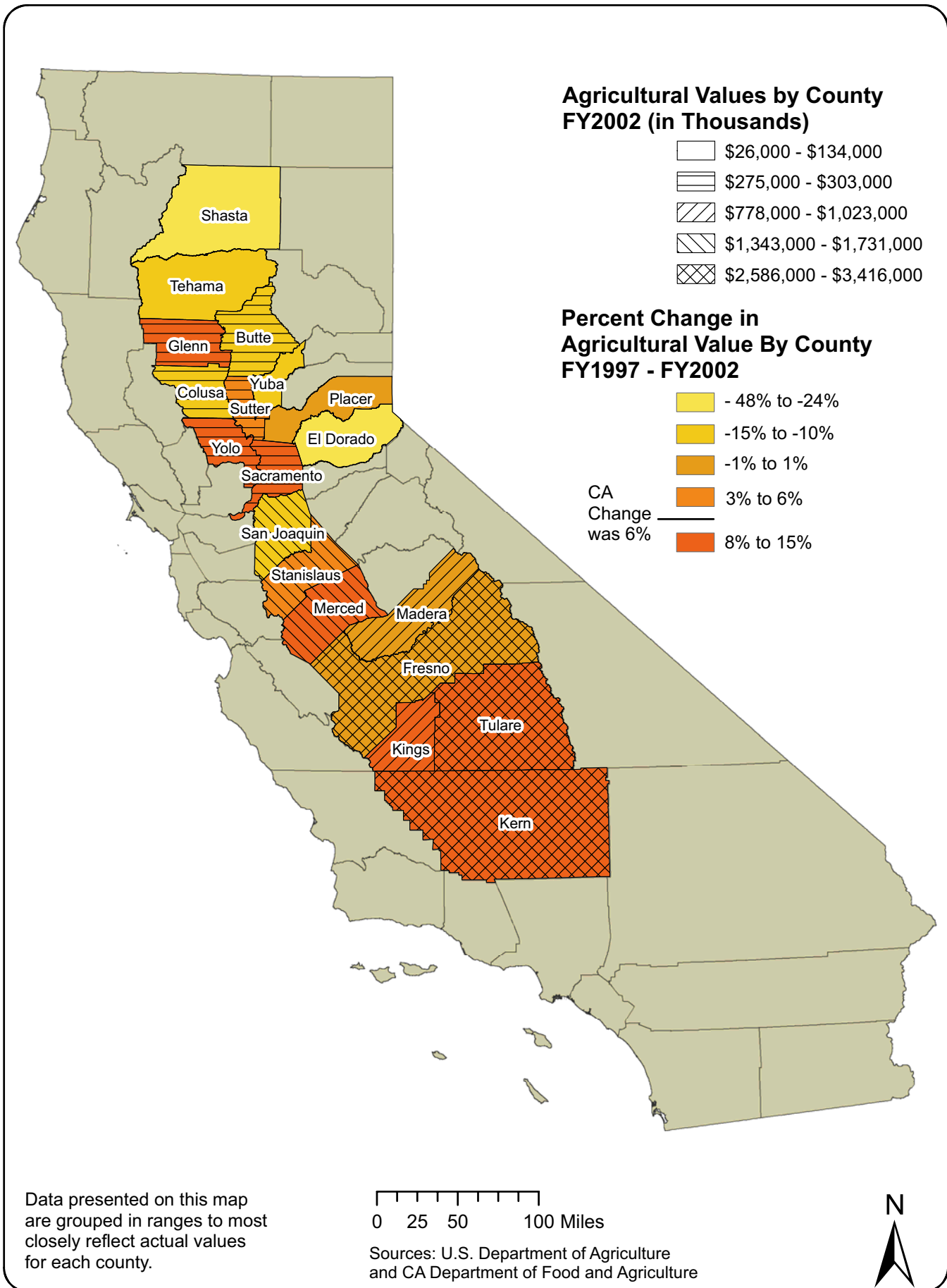
Source: USDA Summary of County Agricultural Commissioners Reports
[Totals vary slightly from CDFA reports published by counties
due to classifications differences (see note)]
California Department of Food and Agriculture

Gross Value of Agricultural Production in the Central Valley Subregions (in billions)
1997-2002



Source: USDA Summary of County Agricultural Commissioners Reports
[Totals vary slightly from CDFA reports published by counties
due to classifications differences (see note)]
California Department of Food and Agriculture

VALUE OF AGRICULTURAL PRODUCTION BY COUNTY



AGRICULTURAL OUTPUT RANKING

California, and especially the Central Valley, are the nation's leading agricultural areas.

Definition:

This indicator compares the dollar value of agricultural output of California with the rest of the country and the output of the Central Valley with the rest of California.

Why is it important?

Agriculture is a major component of the economy of the Central Valley and California. Domestically-grown food provides the county with food security.

How are we doing?

California is by far the most productive agricultural state in the country. With 4% of the nation's farms, California generates 13% of U.S. farming receipts. In 2001, California generated nearly twice as much revenue as Texas, the next most productive state.

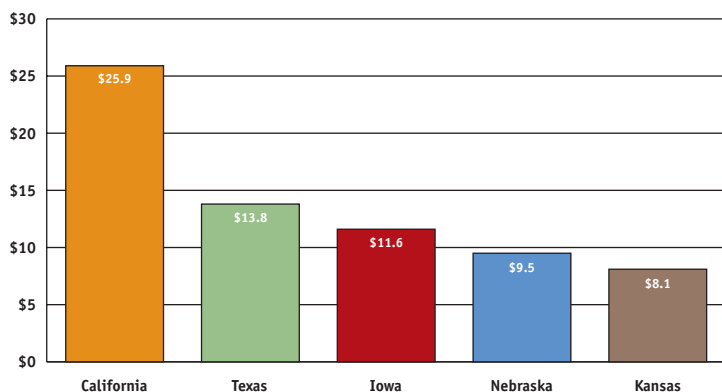
California grows more than half the nation's fruits, nuts, and vegetables, producing more than 350 different crops and commodities. The state leads the nation in production of more than 70 specialty crops.

California also leads in agricultural exports, shipping more than \$6.5 billion in products around the world. Canada is the number one destination for California's exports, followed by the European Union and Japan.

In California, the Central Valley generated 57% of the state's agricultural output in 2002. Six of California's top seven agricultural counties are located in the Central Valley (Fresno, Tulare, Kern, Merced, San Joaquin, Stanislaus). If the Central Valley were a separate state, it would rank first in agricultural production in the nation.

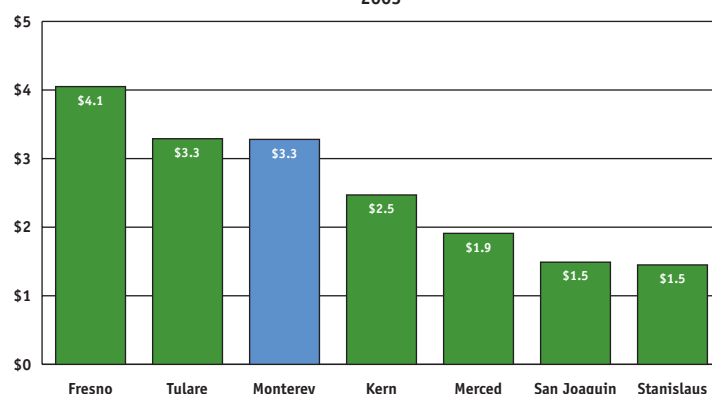
The unique combination of climate, soils, and water in the Central Valley is a major factor in its agricultural productivity. Because the Valley's climate is mild most of the year, the growing seasons are longer. This condition in turn allows farmers to produce more crops than in other states.

Revenues from the Top Five Agricultural States in the United States (in billions)
2001



Source: California Department of Food and Agriculture

Revenues from the Top Seven Agricultural Counties in California (in billions)
2003



Source: United States Department of Agriculture. National Agricultural Statistics Service

California's Top 20 Agricultural Exports

2001

Rank	Commodity	California Export Value (Millions of Dollars)
1	Almonds	\$656.6
2	Cotton	\$604.5
3	Wine	\$470.9
4	Grapes, Table	\$394.5
5	Dairy	\$322.1
6	Oranges	\$297.5
7	Tomatoes, Processed	\$211.7
8	Walnuts	\$179.1
9	Rice	\$166.4
10	Beef and Products	\$154.8
11	Prunes	\$149.5
12	Raisins	\$144.1
13	Lettuce	\$142.6
14	Strawberries	\$136.1
15	Peaches and Nectarines	\$118.7
16	Pistachios	\$108.9
17	Broccoli	\$89.2
18	Hay	\$86.3
19	Lemons	\$74.7
20	Carrots	\$68.0

Source: California Agricultural Statistical Review, 2002

California's Top 20 Agricultural Commodities

2001

Rank	Commodity	Value (Millions of Dollars)
1	Milk and Cream	\$4.630
2	Grapes, All	\$2.651
3	Nursery	\$2.087
4	Lettuce, All	\$1.370
5	Cattle and Calves	\$1.352
6	Hay	\$1.021
7	Flowers	\$.998
8	Strawberries	\$.841
9	Tomatoes, All	\$.766
10	Almonds, All	\$.732
11	Cotton, All	\$.658
12	Chickens, All	\$.532
13	Oranges	\$.514
14	Broccoli	\$.438
15	Carrots, All	\$.434
16	Walnuts	\$.342
17	Avocados	\$.316
18	Celery	\$.260
19	Melons, Cantaloupe	\$.252
20	Peaches, All	\$.247

Source: California Agricultural Statistical Review, 2002

Specialty Crops Produced in California (99% or more of US Production)

Almonds
Artichokes
Clingstone Peaches
Dates
Figs
Kiwi Fruit
Nectarines
Olives
Persimmons
Pistachios
Plums, Dried (Prunes)
Raisins
Walnuts

Source: California Resource Directory, 2003

AGRICULTURAL LAND CONVERSION

In the Central Valley, nearly 4% of farmland that was irrigated in 1990 was converted to other uses by 2002. Urbanization increased by 23%.

Definition:

This indicator measures the changes in land use in the Central Valley from 1990 to 2002, emphasizing changes in irrigated farmland and urbanization.

Why is it important?

Conversion of farmland has the potential to change the Valley's historical economic base. Other urbanizing regions like Los Angeles and San Jose saw new industries like entertainment, defense, and technology increase as farm jobs decreased. There has not been any indication of a change in the economic base in the Central Valley.

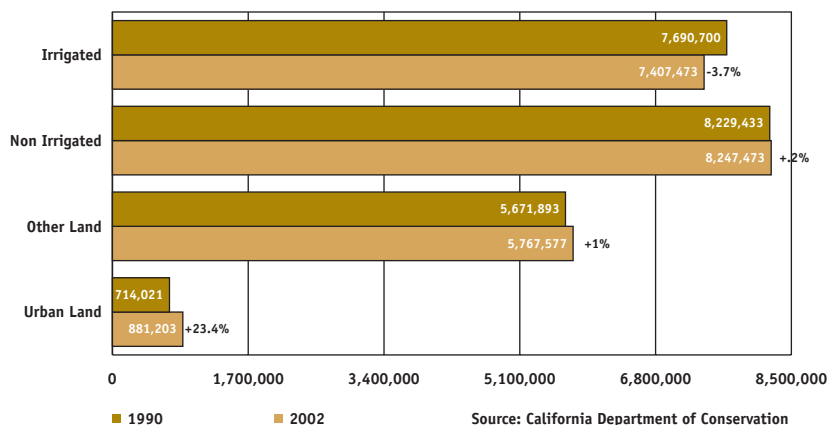
How are we doing?

From 1990 to 2002, 283,277 (3.7%) irrigated farmland acres were converted to other uses. While it is not possible to identify precisely how this land is now used, most of it was converted to urban uses. The remaining acreage was converted to low-density rural development, grazing land, habitat restoration and other uses.

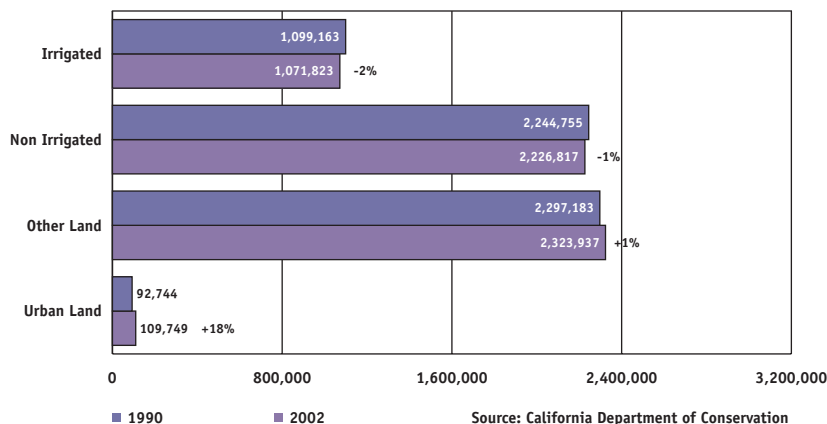
During the same period, the rate of urbanization has increased with 167,182 acres urbanized, a 23% increase.

The San Joaquin Valley, which contains six of the top seven agricultural counties in California, is experiencing the greatest amount of farmland loss.

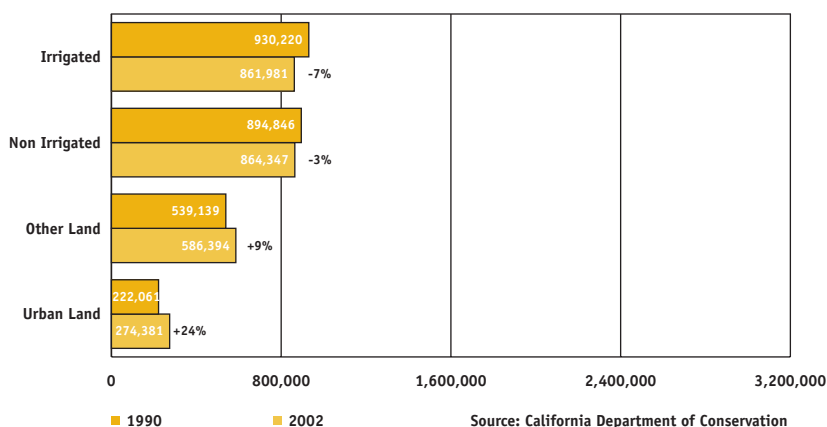
Acres of Agricultural Land Conversion in the Central Valley
1990 and 2002



Acres of Agricultural Land Conversion in the North Valley
1990 and 2002



Acres of Agricultural Land Conversion in the Sacramento Metropolitan Region
1990 and 2002



Land Use Classifications

Irrigated Farmland

Land suited for the production of agricultural crops. This land is important to the local agricultural economy and is able to sustain long term agricultural production.

Non-Irrigated Farmland/Grazing

Land on which the soil and vegetation are most suitable for the grazing of livestock.

Urban and Built-up Land

This land is used for residential, industrial, commercial, construction, and other developed purposes.

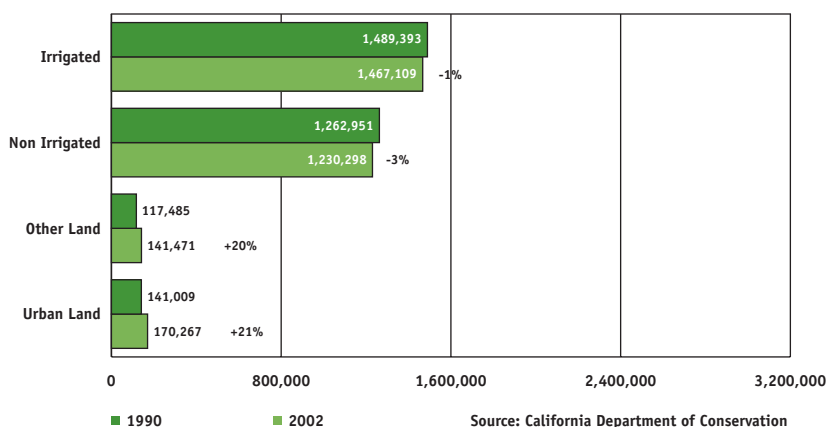
Other Land

Land not included in any other mapping category. Common examples include low density rural developments, brush, timber, wetland, and riparian areas not suitable for livestock grazing.

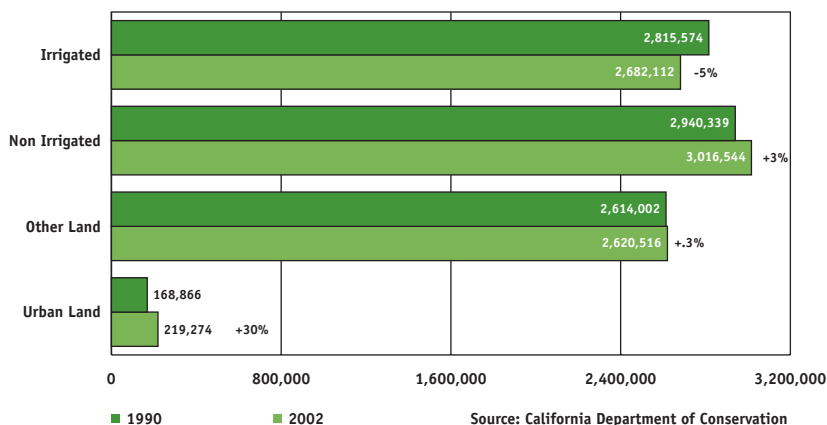
For more information, please see
www.consrv.ca.gov/dlrp/FMMP.

Source: California Department of Conservation

Acres of Agricultural Land Conversion in the North San Joaquin Valley
1990 and 2002



Acres of Agricultural Land Conversion in the South San Joaquin Valley
1990 and 2002



TRANSPORTATION, COMMERCE, & MOBILITY

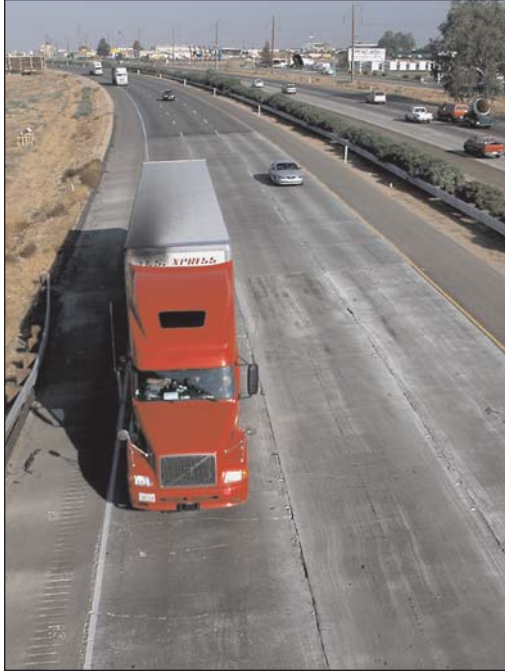


Photo by Richard Thornton

More than 80% of commuters in the Central Valley drive alone to work. Congestion is increasing rapidly in the Central Valley's metropolitan areas, particularly in Fresno and Kern Counties.

- Commute patterns in the Central Valley are similar to those in California's major metropolitan regions.
- The movement of freight by truck is increasing.
- Air travel to and from Central Valley airports, primarily Sacramento, is increasing, while it is declining in the San Francisco Bay Area and Los Angeles Region.

Central Valley Subregions

North Valley (Five counties—Butte, Colusa, Glenn, Shasta, and Tehama)

Sacramento Metropolitan Region (Six counties—El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba)

North San Joaquin Valley (Three counties—Merced, San Joaquin, and Stanislaus)

South San Joaquin Valley (Five counties—Fresno, Kern, Kings, Madera, and Tulare)

VEHICLE MILES TRAVELED AND PRIMARY MODE OF TRANSPORTATION TO WORK

The number of miles driven in the Central Valley is closely related to population growth.

Definition:

This indicator measures the growth in vehicle miles traveled in the Central Valley by cars and trucks and measures how residents of the Central Valley commute to their jobs.


Why is it important?

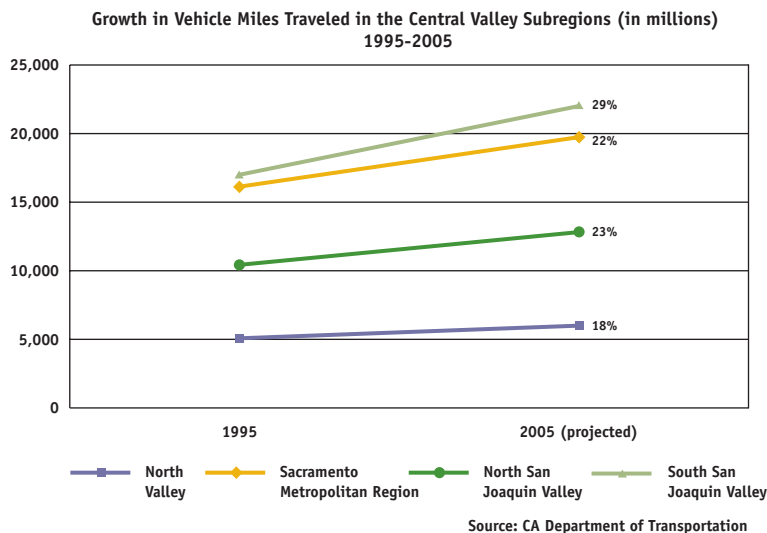
The number of miles driven reflects economic activity and the quality of life. The amount of driving is greatly influenced by how people get to and from work and affects the quantity of air pollution created.

When employment centers are concentrated in urban areas, alternatives to driving alone to work become more viable. An increase in vehicle miles traveled that exceeds the rate of population growth may suggest that residents are commuting longer distances to jobs.

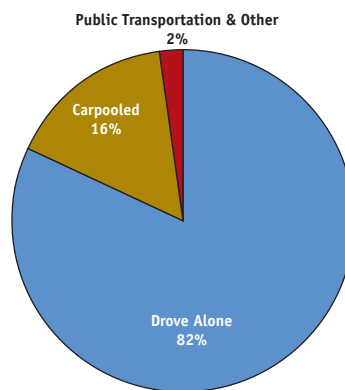
How are we doing?

The increase in miles driven in the Central Valley is similar to the rate of population growth, about 2.4% a year. An exception is the Southern San Joaquin Valley, where population is growing about 2% a year, but driving is increasing nearly 3% a year.

The modes of travel to work in the Central Valley are very similar to those in the rest of California. More than 80% of commuters drive alone to work, followed by carpooling at 16%, and a small number who use public transit or other means such as biking or walking. These patterns were consistent from 1990 until 2000, the latest period for which data are available. 



Means of Transportation to Work in the Central Valley 2000



Source: US Census Bureau

VEHICLE HOURS OF DELAY

Traffic congestion is becoming significantly worse in Central Valley metropolitan areas.

Definition:

Vehicle hours of delay measures the amount of time it takes to travel a freeway during peak times compared to the time it takes to travel the same distance at 35 miles per hour. This measurement provides a general indication of traffic congestion. In the Central Valley, California Department of Transportation (Caltrans) tracks this information for three regions:

- *District 3*: El Dorado, Placer, and Sacramento Counties
- *District 6*: Fresno and Kern Counties
- *District 10*: San Joaquin and Stanislaus Counties

Why is it important?

As population grows, traffic in more populated areas becomes congested, creating delays, longer commutes, and more air pollution. Congestion, a result of too many people wanting to be in the same place at the same time, reflects an imbalance between the capacity of transportation systems and demand. Congestion may increase when there is not a viable public transit alternative.

Congestion is inefficient and affects the quality of life as it prevents people from spending time with family or in other more productive ways and frequently leads to frustration. It also leads to more accidents.

Slower traffic, idling cars, and multiple starts and stops creates air pollution.

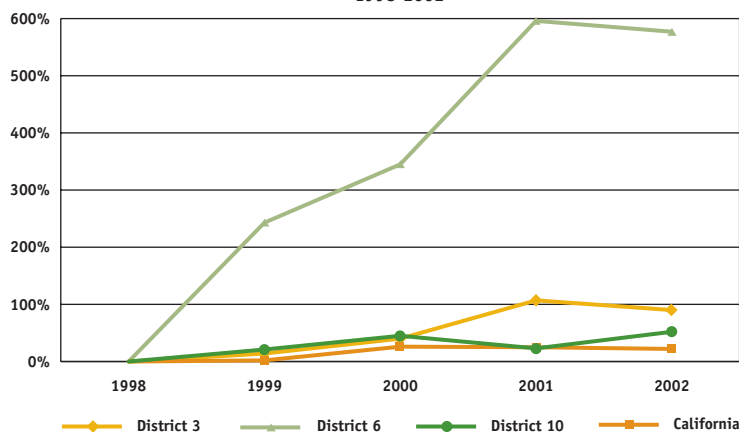
How are we doing?

Traffic congestion is becoming substantially worse in the major Central Valley metropolitan areas. From 1998 through 2002, delays increased:

- in District 3 by 90%
- in District 6 by 577%
- in District 10 by 52%

Statewide, delays increased 22%.

Percentage Change in Vehicle Hours of Delay in California (1998 Benchmark)
1998-2002



Source: California Department of Transportation

Daily Vehicle Hours of Delay
1998-2002

Region	1998	1999	2000	2001	2002	Percent Change
District 3	7,809	8,907	10,896	16,200	14,872	90%
District 6	75	257	334	522	508	577%
District 10	2,711	3,292	3,930	3,340	4,127	52%
California	418,100	428,360	525,450	522,416	512,112	22%

Source: California Department of Transportation

AIRPORT TRAFFIC

Air travel is increasing at the Sacramento Airport and decreasing at most of the small Central Valley airports.

Definition:

This indicator measures passenger traffic at the Central Valley's commercial airports. Passenger traffic data were compiled from the annual scheduled passenger service activity reports provided by commercial airports in the region.

Why is it important?

The level of passenger traffic at commercial airports is generally a good indicator of economic activity and reflects the choice of airlines to provide service to a community. Reliable, frequent, and affordable commercial air service is essential to the economic vitality of a region; regions without such air connections risk economic isolation. Some Valley residents drive to large airports in the San Francisco Bay Area and Los Angeles Region for air travel.

How are we doing?

The Sacramento International Airport dominates passenger air travel in the Central Valley. It accounted for 83% of the Central Valley's scheduled passenger service activity from 1999 to 2003, with

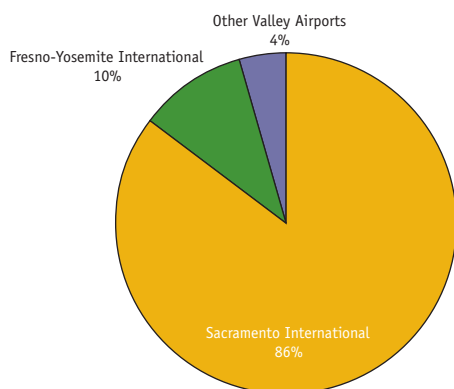
an average of more than eight million scheduled passengers per year. The Sacramento International Airport is expanding its capacity.

Fresno-Yosemite International Airport is the second busiest airport in the Central Valley with scheduled passenger service activity averaging more than one million people per year. The airport has a new terminal and has capacity to grow. Combined, the remaining eight Central Valley commercial airports average more than one half million scheduled passengers per year.

From 1999 to 2003, there was a significant decrease in scheduled passenger traffic at five of the nine remaining commercial airports in the Central Valley. However, primarily because of increases in traffic through Sacramento International, overall passenger traffic in the Central Valley has increased 12%.

Scheduled passenger service activity in the San Francisco Bay Area decreased 14% from 1999 to 2003. During the same time, scheduled passenger service activity decreased 8% in the Los Angeles Region.

Annual Scheduled Passenger Service Activity in Central Valley Airports
2003



Source: Reported Schedule passenger Service Activity by Respective Airports
California Department of Transportation
Division of Aeronautics, Office of Aviation Planning

Scheduled Passenger Service Activity in Central Valley Airports
2003

Airport	Passenger Activity
Sacramento International	8,776,096
Fresno-Yosemite International	1,038,163
Bakersfield Meadows Field	179,622
Redding Municipal	107,752
Modesto City-County	34,113
Chico	32,439
Inyokern	22,167
Merced Municipal	15,862
Visalia	4,573
Stockton Metropolitan	27,114

Source: California Department of Transportation
Division of Aeronautics, Office of Aviation Planning

FREIGHT TRAFFIC

Freight traffic in the Central Valley is increasing.

Definition:

This indicator measures the movement of freight goods in and out of the Central Valley via trucking on the state highway system.

Why is it important?

The number of truck miles traveled on the state highway system is an indicator of the volume of goods moving through the Central Valley and demonstrates the importance of trucking to the economy of the Central Valley.

Also, because the Central Valley is the center of agricultural production, a robust transportation system is needed to ensure that goods can be imported to and exported from the region.

As major inter-regional transportation corridors, the Central Valley's two major north-south arteries—Highway 99 and Interstate 5—are critical to the state and national economies. They are the backbone of Central Valley freight and passenger travel and provide transportation capacity for freight shipped

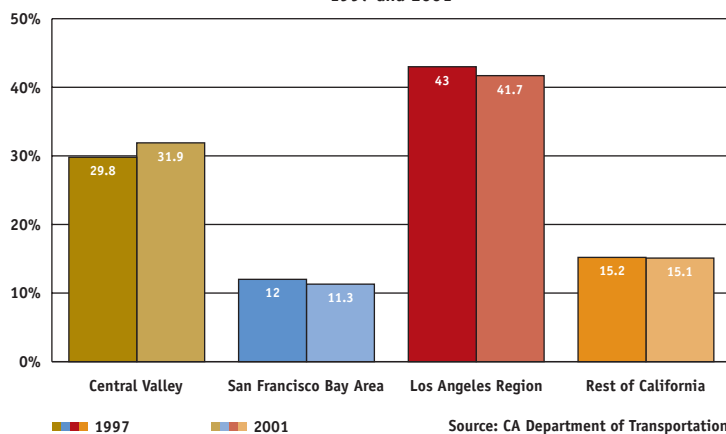
to and from many locations between the Port of Los Angeles and Portland, Oregon. If the need for movement of freight exceeds the capacity of the highway system, there will be ripple effects in the state and regional economies.

How are we doing?

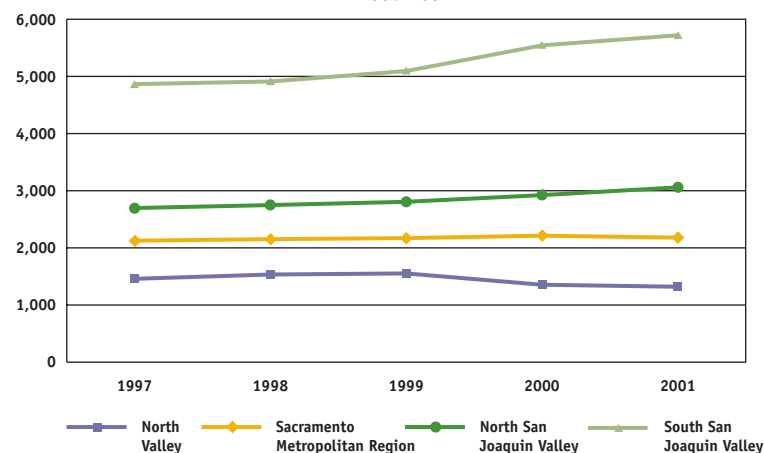
In six California counties, truck travel accounted for more than 20% of all travel within that county in 2001. Five of the six counties are located in the Central Valley (Tehama, Glenn, Colusa, Merced, and Kern). Siskiyou is the sixth county.

As a region, the Central Valley's share of truck travel is increasing, up 2% between 1997 and 2001. In Kern County in 2001, almost 26% of all travel in the county was by truck. In 2001, 16% of all travel in the Central Valley was truck travel, more than the 9% estimated for the Los Angeles Region and the 5% estimated for the San Francisco Bay Area.

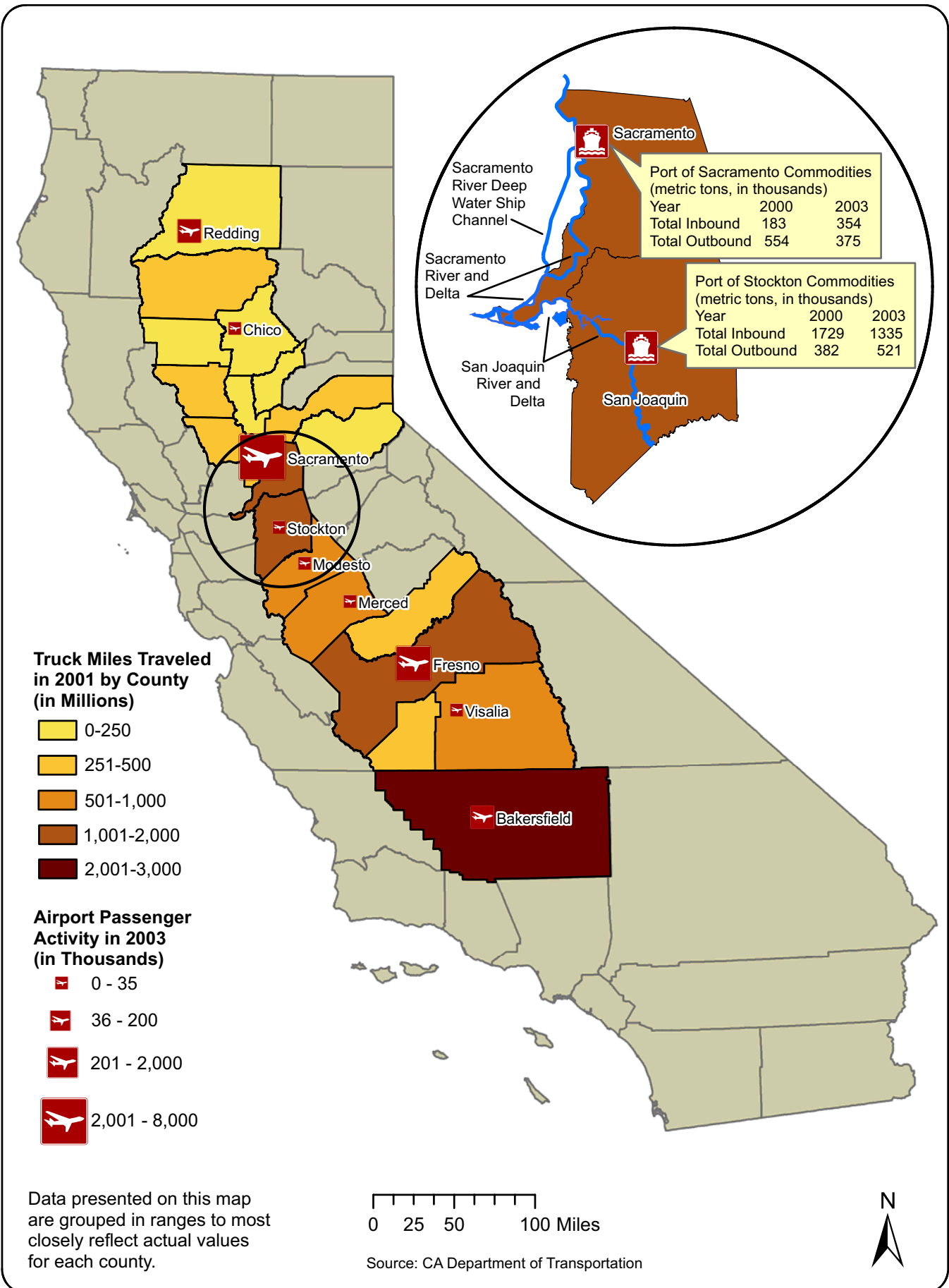
Truck Travel as a Percentage of Highway Travel in California and its Regions
1997 and 2001



Total Truck Miles Traveled on the State Highway System in the Central Valley
(in millions)
1997-2001



MOVEMENT OF GOODS IN THE VALLEY



FEDERAL & NONPROFIT SPENDING



AP Photo/Marcio Jose Sanchez

The Central Valley economy is characterized by high unemployment, low wages, and per capita incomes that are among the lowest in the country. Such weak economic conditions require a

“safety net” to provide for the basic human needs of many Valley residents. The historic sources of this safety net have been government and nonprofit organizations. Both spend significantly less in the Central Valley than elsewhere, despite the significant economic challenges.

- California receives only 90% of the average Federal per capita spending.
- The Central Valley receives only 70% of the average Federal per capita spending.
- Nonprofit revenues in the Central Valley are only 55% of the national average.

Central Valley Subregions

North Valley (Five counties—Butte, Colusa, Glenn, Shasta, and Tehama)

Sacramento Metropolitan Region (Six counties—El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba)

North San Joaquin Valley (Three counties—Merced, San Joaquin, and Stanislaus)

South San Joaquin Valley (Five counties—Fresno, Kern, Kings, Madera, and Tulare)

PER CAPITA FEDERAL SPENDING

Federal spending in the Central Valley is significantly lower than the state and national averages.

Definition:


This indicator measures the annual amount of Federal spending per person in a particular region as a percentage of national and state levels. It consists of four major categories:

- Direct payments such as Social Security, Medicare, food stamps, and Unemployment Compensation;
- Grants to government agencies for items such as Medicaid, highways, welfare payments, and local education;
- Procurement (contract payments) for Federal purchases of goods and services; and
- Wages and salaries for Federal employees including members of the military, Postal Service employees and others.

Why is it important?

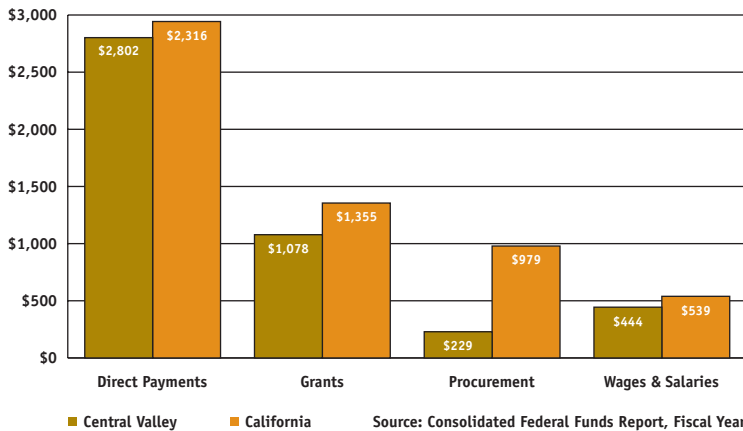
Federal spending is a significant part of the US economy. It provides substantial economic benefits to recipients and to regions.

How are we doing?

Fewer Federal dollars are spent per capita in the Central Valley than in the rest of California. Fewer dollars are spent per capita in California than in other states. Federal spending per capita in the Central Valley is only 69% of the national average. This is below California's per capita Federal spending of 90% of the national average. 

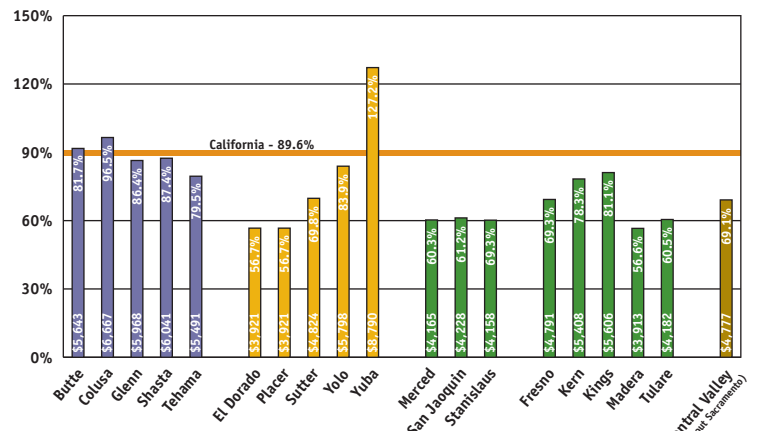
Note: The spending figures presented exclude Sacramento County. Because the State Capitol is located in Sacramento, much of the Federal spending in California is distributed through State agencies based in Sacramento. Any breakdown by county which includes Sacramento would be misleading.

Per Capita Federal Expenditures in California and the Central Valley 2002



Source: Consolidated Federal Funds Report, Fiscal Year 2002 (2003); Population Estimates Program (4/9/2004), US Census Bureau, Washington DC. California Institute for Federal Policy Research, Washington, DC

Per Capita Federal Expenditures in the Central Valley by Subregion as a Percent of the US Fiscal Year 2003



Source: California Institute for Federal Policy Research

PER CAPITA REVENUE BY NONPROFIT ORGANIZATIONS

Nonprofit revenue is substantially lower than state and national averages, and a substantial gap in funding persists between the Central Valley and the rest of California.

Definition:

This indicator measures the amount of money received by 501(c)3 nonprofit organizations in a particular community or region. It is calculated by dividing the total revenues for nonprofit organizations in a region by the number of people living there.

While revenues are not an exact measure of the level of spending by nonprofits, they provide a reasonable estimate. The data on nonprofit revenues are not readily available for each county, so they are presented by metropolitan area, which represents clusters of population.

This indicator also measures spending by the nation's largest grant-making foundations.

Why is it important?

Along with government, nonprofit organizations are a key part of the traditional "safety-net" providing support for low income people and serving a number of worthwhile purposes in communities.

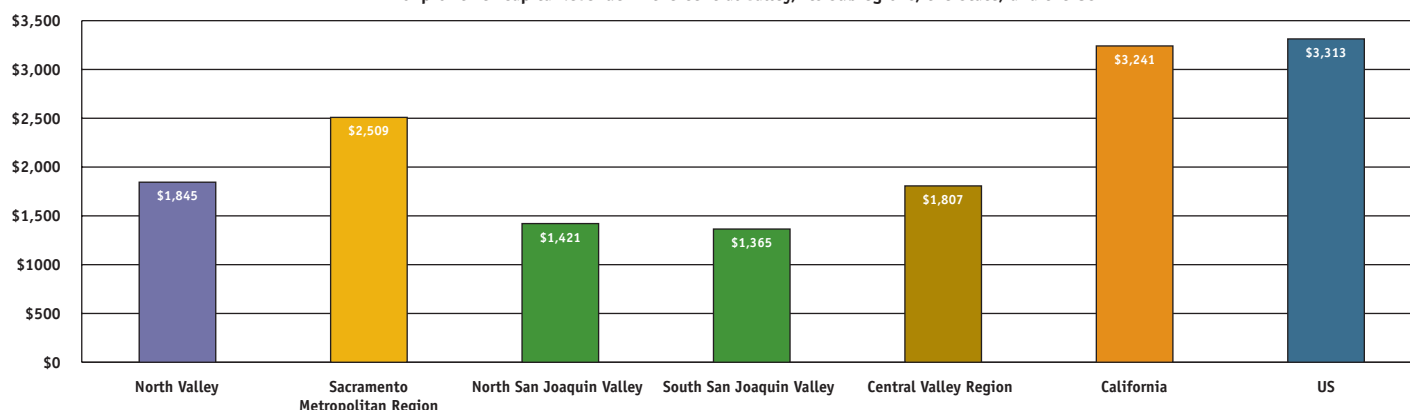
Nationally, foundation grants represent about 10% of all private giving and are often used to support social change.

How are we doing?

Nonprofit revenue per person in the Central Valley is 55% of the average in the United States and 56% of the state average. Revenue is significantly higher in the Sacramento Metropolitan Region than other parts of the Central Valley. This may reflect a high number of statewide nonprofits in Sacramento.

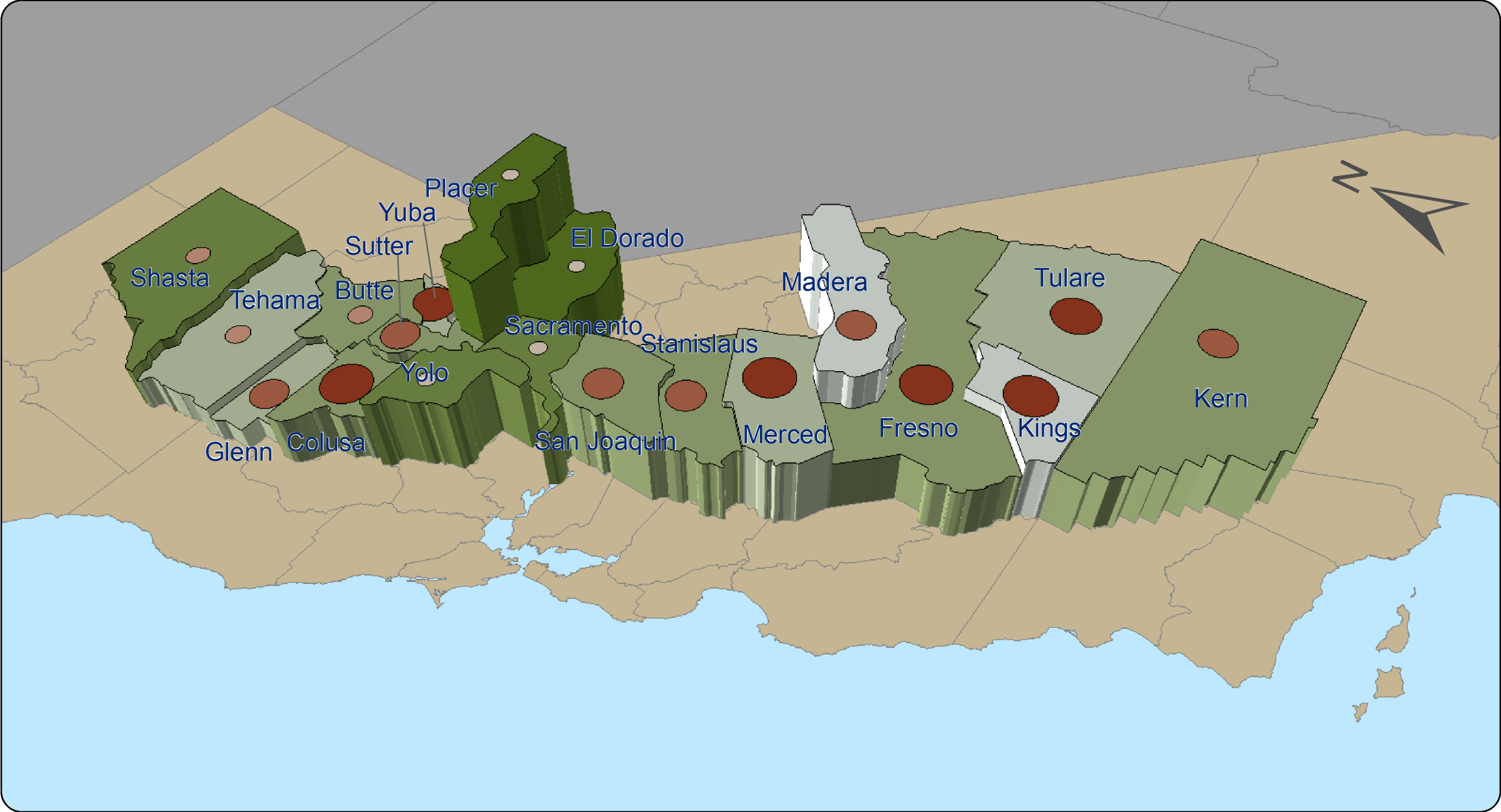
Foundation grants in the Central Valley increased 221% from 1996 to 2002, from an average of \$5.42 per person to \$17.43. However, a substantial gap in foundation spending persists between the Central Valley and the rest of California.

Nonprofit Per Capita Revenue in the Central Valley, its Subregions, the State, and the US*



Source: For NPO revenue, Guidestar and for population estimates, the California Institute for Federal Policy Research
*Population estimates are from July 2003 and NPO revenue data are from the latest available from Guidestar, spanning the years of 1999-2004.

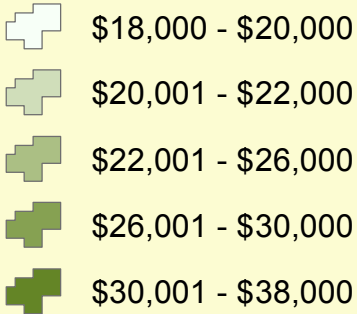
California's Great Central Valley: Selected Economic Indicators



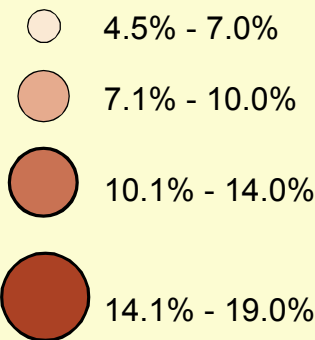
County	I	U	G
Shasta	\$26,532	7.80%	33%
Tehama	\$20,536	7.20%	25%
Glenn	\$20,605	12.70%	18%
Butte	\$23,944	7.80%	24%
Colusa	\$23,972	18.90%	39%
Sutter	\$25,698	13.60%	48%
Yuba	\$20,873	14.20%	22%
Yolo	\$27,114	5.20%	57%
Placer	\$37,083	4.70%	100%
El Dorado	\$36,561	5.40%	48%
Sacramento	\$29,631	5.60%	49%
San Joaquin	\$24,119	10.10%	55%
Stanislaus	\$23,642	11.50%	50%
Merced	\$20,623	14.80%	55%
Madera	\$19,617	12.60%	70%
Fresno	\$23,492	14.20%	42%
Kings	\$18,581	14.60%	53%
Tulare	\$21,193	15.50%	43%
Kern	\$22,635	12.30%	48%
SF Bay Area	\$45,573	5.70%	25%
LA Region	\$30,387	5.60%	30%
California	\$32,989	6.70%	32%



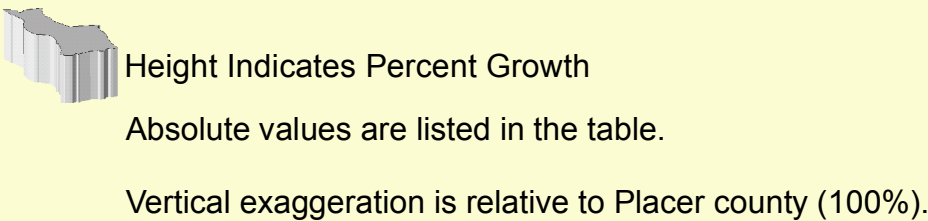
2002 Per Capita Income (I)



2003 Unemployment (U)



1990 - 2010 Projected Population Growth (G)



Data sources:

Per capita income:
U.S. Department of Commerce

Unemployment:
California Employment Development Department

Projected population growth:
California Department of Finance

DEFINITIONS

NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS)

Construction

The construction sector comprises establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). Establishments primarily engaged in the preparation of sites for new construction and establishments primarily engaged in subdividing land for sale as building sites also are included in this sector.

Education & Health Services

The education and health services supersector is made up of two parts: the educational services sector, and the health care and social assistance sector. Only privately-owned establishments are included; publicly-owned establishments that provide education or health services are included in government.

Farming

The farming sector is made up of businesses that are primarily engaged in crop and animal production, and agriculture and forestry support.

Financial Activities

The financial activities supersector is made up of two parts: the finance and insurance sector, and the real estate and rental and leasing sector.

Government

The government sector is made up of publicly-owned establishments. This sector includes establishments of Federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area. Establishments such as public schools and public hospitals are also included.

Information

The information sector comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.

Leisure & Hospitality

The leisure and hospitality supersector is made up of two parts: the arts, entertainment, and recreation sector, and the accommodation and food services sector.

Manufacturing

The manufacturing sector consists of establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products.

Natural Resources & Mining

The natural resources and mining supersector is made up of two parts: the agriculture, forestry, fishing, and hunting sector, and the mining sector.

Other Services

The other services sector comprises establishments engaged in providing services not specifically provided for elsewhere in the NAICS. Establishments in this sector are primarily engaged in activities such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, etc.

Professional & Business Services

The professional and business services supersector is made up of three parts: the professional, scientific, and technical services sector, the management of companies and enterprises sector, and the administrative and support and waste management and remediation services sector.

Trade, Transportation, & Utilities

The trade, transportation, and utilities supersector is made up of four parts: transportation and warehousing, utilities, wholesale trade, and retail trade. This is often further broken down into two supersectors: transportation and warehousing, and utilities, and wholesale and retail trade.

Source: Virginia Employment Commission, *NAICS Desk Aid*, www.calmis.ca.gov/file/naics/naics-guide.pdf

For more information regarding the North American Industry Classification System and the sectors defined here, please visit the California Employment Development Department website: www.calmis.ca.gov/htmlfile/programs/naics.htm#Why or the US Department of Labor Bureau of Labor Statistics website: <http://www.bls.gov/ces/cessuper.htm>.

DATA SOURCES

Population, Income & Housing

Population Growth

Population Data

California Department of Finance
www.dof.ca.gov/html/Demograp/DRU_datafiles/
DRU_datafiles.htm

Migration Data

Public Policy Institute of California
*The Central Valley at a Crossroads: Migration and
Its Implications*
www.ppic.org

Per Capita Income

US Department of Commerce
Bureau of Economic Analysis
Regional Economic Accounts
www.commerce.gov
www.bea.gov/bea/regional/reis/default.cfm#a

Residential Building Permits

US Department of Housing and Urban Development
State of the Cities Data Systems
http://socds.huduser.org/permits

Housing Affordability

Housing Affordability Data

Claritas, Inc.
San Diego, CA
www.claritas.com

Home Ownership Data

US Census Bureau
American Fact Finder
http://factfinder.census.gov

Rental Affordability

National Low Income Housing Coalition
www.nlihc.org/oor2003/area.php?state%5B%5D=CA

Business Vitality

Job Growth and Labor Force Growth

Job Growth, Labor Force Growth, and Unemployment Data

California Employment Development Department
Labor Market Information Division
www.labormarketinfo.edd.ca.gov

Annual Unemployment Rate

California Employment Development Department
Labor Market Information Division
www.labormarketinfo.edd.ca.gov

Unemployment Rate by Month

Unemployment Rate Data

California Employment Development Department
Labor Market Information Division
www.labormarketinfo.edd.ca.gov

Harvest Season Data

US Department of Agriculture
Summary of County Agricultural Commissioner's
Reports, 2002-2003
National Agriculture Statistics Service
www.nass.usda.gov/ca/bul/agcom/indexcav.htm

Wages by Industry

Wage Data

California Employment Development Department
Labor Market Information Division
Quarterly Census of Employment and Wages (QCEW)
www.labormarketinfo.edd.ca.gov
www.calmis.ca.gov/file/es202/cew-select.htm

Employment by Industry

Industry Employment Data

California Employment Development Department
Labor Market Information Division
www.labormarketinfo.edd.ca.gov
www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/
AreaSelection.asp?tableName=Ces

Employment Changes by Industry

California Employment Development Department
Labor Market Information Division
www.labormarketinfo.edd.ca.gov

Retail Sales

Retail Sales Data

California Department of Transportation
Office of Transportation Economics
California 2004-2020 County Level Economic Forecast
www.dot.ca.gov
www.dot.ca.gov/hq/tpp/offices/ote/socio-
economic.htm

Wage Data

US Department of Labor
Bureau of Labor Statistics Data
www.bls.gov

Inflation Data

California Employment Development Department
Labor Market Information Division
www.labormarketinfo.edd.ca.gov

Population Data

California Department of Finance
www.dof.ca.gov

Internet Presence

Yahoo Online Business Directory
www.yahoo.com
http://dir.yahoo.com/regional/u_s_states/
california/counties_and_regions/ (July 20,
2004)

Google Online Business Directory
www.google.com
http://directory.google.com/Top/Business
(July 20, 2004)

California Employment Development
Department
Labor Market Information Division
www.labormarketinfo.edd.ca.gov
www.calmis.ca.gov/file/indsize/2sfcoru.pdf

Tourism

Travel Spending and Transient Occupancy Tax Data

Dean Runyan Associates
www.deanrunyan.com

Agritourism Data

University of California, Small Farm Center
www.calagtour.org

Agriculture

Farm Employment and Wages

California Employment Development
Department
Labor Market Information Division
www.labormarketinfo.edd.ca.gov

University of California, Davis
Agricultural Issues Center
www.aic.ucdavis.edu

Value of Agricultural Production

California Department of Food and Agriculture
www.cdffa.ca.gov/card/card_new02.htm

California Agricultural Statistics Service
www.nass.usda.gov/pub/nass/ca/AgComm/
200208cavtb00.pdf

Agricultural Output Ranking

California Department of Food and Agriculture
www.cdffa.ca.gov/card/card_new02.htm

US Department of Agriculture
National Agriculture Statistics Service
www.nass.usda.gov/ca/bul/agcom/indexcav.htm

Agricultural Land Conversion

California Department of Conservation
Division of Land Resource Protection
www.consrv.ca.gov/DLRP

Transportation, Commerce & Mobility**Vehicle Miles Traveled and Primary Mode of Transportation to Work***Vehicle Miles Traveled Data*

California Department of Transportation
Division of Transportation
www.dot.ca.gov/hq/tsip/MVSTAFF.htm

Primary Mode of Transportation to Work Data

United States Census Bureau
<http://factfinder.census.gov>

Vehicles Hours of Delay

California Department of Transportation
State Highway Congestion Monitoring Program
www.dot.ca.gov/hq/traffops/sysmgtp/HICOMP/pdfs/2002_HICOMP_Report.pdf

Airport Traffic

California Department of Transportation
Division of Aeronautics
www.dot.ca.gov/hq/planning/aeronaut/htmlfile/

Freight Traffic

California Department of Transportation
Division of Transportation
Office of Truck Services
www.dot.ca.gov/hq/traffops/trucks/

Federal & Nonprofit Spending**Per Capita Federal Spending**

California Institute for Federal Policy Research
<http://calinst.org>

Per Capita Revenue by Nonprofit Organizations*NPO Revenue Data*

Guidestar
www.guidestar.org

Population Estimates

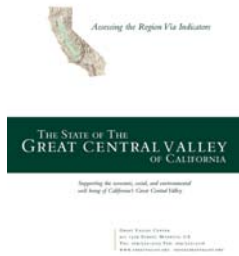
California Institution for Federal Policy Research
<http://calinst.org>

Foundation Data

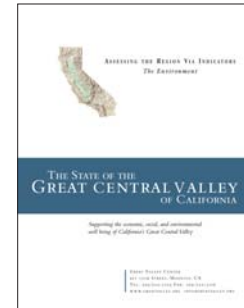
The Center of Philanthropy & Public Policy
University of Southern California
"Philanthropic Activity in California's Central Valley: 1996-2002"

OTHER REPORTS IN THE
STATE OF THE GREAT CENTRAL VALLEY
INDICATOR SERIES:

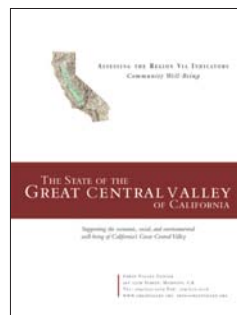
ASSESSING THE REGION VIA INDICATORS



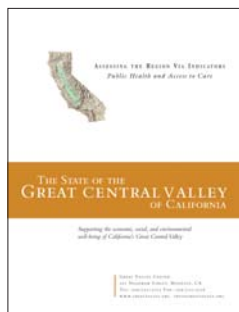
THE ENVIRONMENT



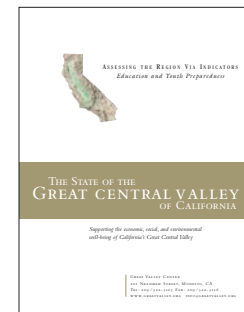
COMMUNITY WELL-BEING



PUBLIC HEALTH AND ACCESS TO CARE



EDUCATION AND YOUTH PREPAREDNESS



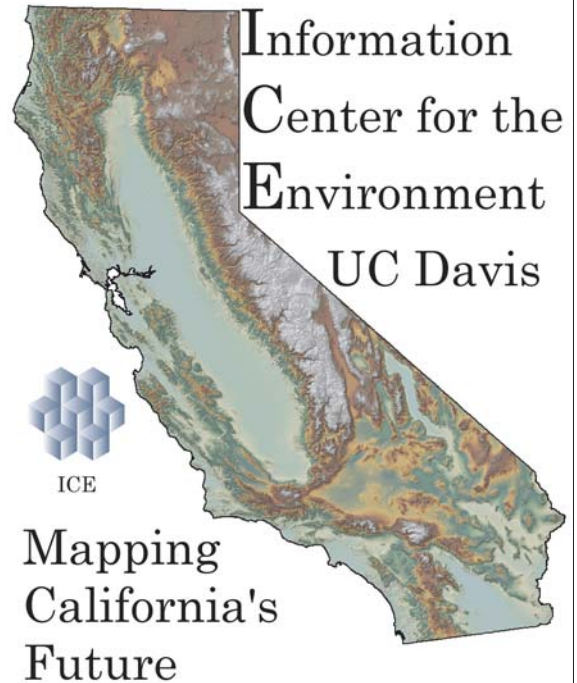
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WWW.GREATVALLEY.ORG/INDICATORS

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THE STATE OF THE GREAT CENTRAL VALLEY: THE ECONOMY

**Caltrans Improves Mobility
Across California**



<http://www.dot.ca.gov>




<http://ice.ucdavis.edu>



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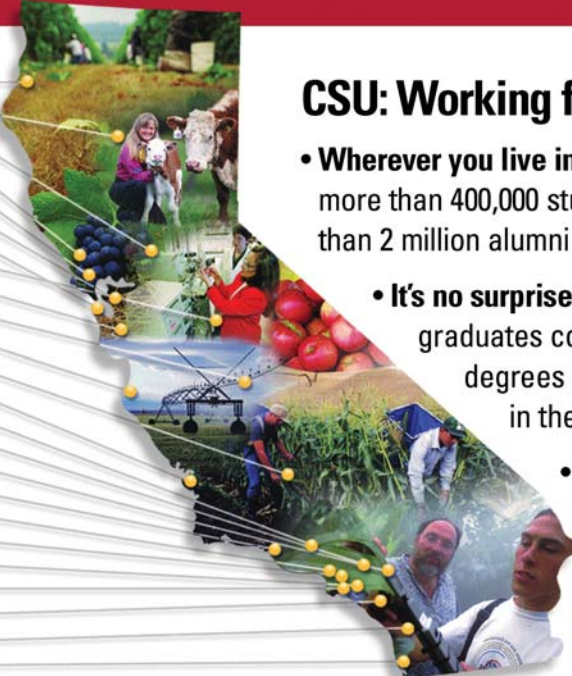
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